

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

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London, Tuesday, April 27, 1999

No. 36,126

Asia Calm Although Turmoil Lingers On

*Amid Region's Recovery
And Conflict in Kosovo,
Push for Change Waves*

By David E. Sanger
New York Times Service

WASHINGTON — When the finance ministers and other officials of the world's biggest economic powers last met in Washington six months ago, President Bill Clinton declared that they were confronting "the biggest financial challenge facing the world in a half-century."

Now, as another such meeting gets under way, millions of people are still suffering, economies are still shrinking, but the crisis seems oddly abated.

The crisis preoccupying Mr. Clinton and other leaders is in Kosovo, not the market. Fear of new forms of "economic contagion" has been replaced with far older fears of military contagion. Asia's slow recovery has moved it off the political radar screen.

Without that sense of urgency, the chances of remaking the "global financial architecture" through fundamental changes — the rallying call of financial meetings last autumn — have diminished considerably.

But there have been modest steps, including one Sunday by the executive board of the International Monetary Fund. As part of the lending agency's efforts to offer some way to prevent economic turbulence from spreading from country to country, it approved a program for contingency credit.

The program will allow the IMF to offer substantial credit to any country determined to be following sound economic policies. The hope is that such support will preserve investor confidence by deterring speculators from attacking a nation's currency.

The U.S. Treasury Secretary, Robert Rubin, said that the IMF's action was a victory for Mr. Clinton's financial stability agenda and that the program would provide "an expanded capacity to help maintain confidence when countries face the threat of financial contagion."

An unresolved problem with the program is that the standard — sound economic policies — is likely to be hard for the most vulnerable nations to meet, while many eligible countries are less likely to be hit by contagion.

As the leaders of the IMF and the World Bank, in Washington for their spring meetings, start occupying the hotel rooms just abandoned by NATO leaders who were here for the alliance's 50th anniversary, some officials insist that the biggest worry once again is the absence of fear itself.

"There is a real danger, which I sense already, that the pressure to reform is weakening around the world," said James Wolfensohn, president of the World Bank. "There were a lot of powerful and wealthy interests who opposed reform, and they have been able to reassess themselves."

Mr. Clinton warned last week against the dangers of "complacency," endorsing an agenda of reforms spelled out the next day by Mr. Rubin.

But those proposals turned out to be modest at best: more disclosure rules to

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The Dollar		
New York	Monday @ 4 P.M.	previous close
Euro	1.0585	1.0615
Pound	1.612	1.6157
Yen	118.27	119.38
DM	1.8478	1.8425
FF	6.1971	6.1799
Dollars per pound and per euro		
The Dow	Monday close	percent change
+26.92	10,718.59	+0.27%
S&P 500		
+3.19	1,380.04	+0.24%
Nasdaq		
+61.44	2,652.13	+2.37%

Newswatch Prices			
Bahrain	1,000 BD	Malta	55 c
Cyprus	1.71	Nigeria	1200 Naira
Denmark	1.71 DK	Oman	1.250 OR
Finland	12.00 FM	Oster	10.00 QR
Gibraltar	8.085	Rio, Ireland	1.10 RIE
Great Britain	1.550	Saudi Arabia	10.00 SR
Egypt	EE 5.50	S. Africa	R16 Ind VAT
Jordan	1.250 JD	U.A.E.	10.00 DH
Kenya	K SH 150	U.S. M.R. (Eur.)	\$1.20
Kuwait	700 Fis	Zimbabwe	Zm \$4.00



Dutch riot police arresting a soccer fan in Rotterdam. The police fired live bullets at fans for the first time.

A New Dimension in Soccer Violence

Dutch Police Open Fire After Being Cornered by Hooligans

Compiled by Our Staff From Dispatches

ROTTERDAM — An ugly new chapter in the already bloody history of soccer violence in Europe started over the weekend when police in the Netherlands fired live ammunition at a group of soccer hooligans.

Police said Monday that they were investigating reports that rioters may have used guns during the clashes, which marked the first time police had fired live bullets at rioters in the Netherlands. Police arrested 80 people Sunday, and at least 15 people were injured, including four police officers.

"The world has been turned on its head when police have to draw their guns like this," Interior Minister Bram Peper said Monday on Dutch television.

European soccer has long been marred by violent incidents. The worst disasters have happened in near stadiums. In 1985, at Heysel Stadium in Brussels, 39 soccer fans were crushed or trampled to death as they attempted to flee English hooligans at a match between Liverpool and Juventus of Turin.

In April 1989, 95 people were killed at Hillsborough Stadium in Sheffield, England, after hooligans started a panic and fans were crushed against barriers designed to keep them off the field and away from one another.

Since the Hillsborough tragedy, violence inside stadiums has been all but eliminated by police efforts to keep troublemakers out and keep a close watch — often by remote cameras —

on those who get in. But the violence has continued. Several French cities suffered from rioting by English and German fans before and after World Cup games last summer. In the worst case, Daniel Nivel, a 44-year-old French policeman, was beaten into a coma by German hooligans in Lens.

On Sunday, about 250,000 mostly peaceful fans celebrated in Rotterdam after their team, Feyenoord, clinched the league championship, a small but violent group on the fringes attacked police with rocks and bottles and then cornered a small group of police. The officers fired warning shots into the air and then ran away from the crowd.

Police bullets injured four people,

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Profitless Investors Pulling Out of China

By Philip Segal
International Herald Tribune

HONG KONG — While the barriers to doing business in China are widely known in business circles — vague regulations, unscrupulous officials and arbitrary corporate partners, for instance — a new look at foreign companies doing business there points to a more basic one: a lack of profits.

A study by the management consulting company A.T. Kearney indicates that foreign multinational companies, the investors with the know-how

and technology that China craves, may be deciding that there is no money in it and that they have had enough.

"After nearly two decades in which companies have made allowances for China's idiosyncrasies, foreign-invested enterprises can no longer tolerate low returns from their investments in China," A.T. Kearney's chairman, Fred Steinraher, said Monday.

Just 40 percent of the companies surveyed said they were making a profit, and almost one-quarter of multinational companies have pulled out of at least one venture since entering China, ac-

cording to the study. The study covered only 70 companies, but some business consultants said that the numbers rang true despite the small sample.

Profit has become the mantra for many companies in China now," said Mitch Prestwick, managing director in Beijing of APCO Associates Inc., a consultancy that advises major multinationals on investing in China.

Now that some companies have failed to realize a single dollar of earnings after five years or more in the

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Putrajaya, planned as a grand metropolis for 330,000 people, a replacement for Kuala Lumpur as the capital, seemed like a good idea until the financial crisis hit Asia. Now the government is shy about it.

Malaysia Shy About Cost as a Grand New City Arises

By Thomas Fuller
International Herald Tribune

PUTRAJAYA, Malaysia — Quietly, or as quietly as hundreds of dump trucks, cranes and an army of construction workers can be, Malaysia is proceeding with one of Southeast Asia's biggest and most ambitious construction projects.

Next month, in a clearing where only rubber trees and oil palms once stood, the government will unveil the first phase of a city built entirely from the ground up, a new federal capital to replace Kuala Lumpur.

Thousands of foreign workers from Bangladesh and

Indonesia are helping build enough offices and houses to accommodate 330,000 people.

Prime Minister Mahathir bin Mohamad, whose official residence and office are nearly finished, will move to the city, which is 25 kilometers (15 miles) south of Kuala Lumpur, at the end of next month, according to the government-run company charged with building the new city.

The prime minister's office is a green-domed edifice that sits high on a bluff, with moats on three sides. Nearby is a giant mosque and dozens of half-finished government office buildings.

Yet, even as the prime minister prepares his move,

the new city is facing uncertainty. Many parts of the project are months behind schedule and plans for a railroad to Kuala Lumpur are stalled.

Diplomats who have been asked to transfer their embassies to Putrajaya say they are not planning to move any time soon, and may never actually move.

Opposition groups deride the project as Prime Minister Mahathir's personal palace and say the 5 billion ringgit (\$1.3 billion) expended on the first phase is wasteful, especially after the country's economy shrank by about 6 percent last year. The total estimated

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NATO Talks Buoy Kosovo Air Policy

U.S. Sees Accord at the Summit As Go-Ahead for Wider Attacks

By Joseph Fitchett
International Herald Tribune

WASHINGTON — The Clinton administration offered an upbeat assessment Monday of the NATO summit meeting.

It said that the alliance had agreed to intensify the air war against Yugoslavia in Kosovo, tighten economic sanctions against Serbia and institutionalize NATO's growing role in European security, especially in the Balkans.

A senior U.S. official said that the alliance had been further steered about

field at Pristina, the Kosovo provincial capital, and tactical military targets.

Suggesting that NATO's unity has started to make an impression in Belgrade, other allied officials cited the first hints of dissent against the Milosevic regime.

They singled out remarks by a Yugoslav deputy prime minister, Vuk Draskovic, who said on the British network Sky TV that the Serbian people needed to realize that they were isolated in the Kosovo conflict.

"The obligation of all leaders in our

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Milosevic: Undaunted And Unbowed

By Michael Dobbs
Washington Post Service

BELGRADE — NATO warplanes reduced his home to a pile of rubble, put his television stations off the air and destroyed the headquarters of his ruling Socialist Party. But President Slobodan Milosevic carries on with what, to outside appearances at least, is his regular routine. He presides over cabinet meetings, meets with foreign dignitaries and issues orders for reconstructing his devastated country.

When NATO began its air campaign against Serb-led Yugoslavia a month ago, alliance officials expressed the hope that it would cause serious political strains within the Milosevic regime, perhaps even provoke a revolt by his senior military commanders. So far, these hopes have not been realized.

If anything, the man whom President Bill Clinton calls "Europe's last dictator" is more solidly entrenched in power now than he was when the bombs first began to rain down on his country, according to Yugoslav political analysts.

Associates depict Mr. Milosevic as a man of strong nerves, angry but unfazed by the bombing of his residence and determined to resist NATO's aggression to the end, even if the alliance attempts to occupy Kosovo with a ground offensive. "Imagine your reaction if a criminal came and destroyed your home," said Foreign Minister Zivadin Jovanovic. All the same, he added, Mr. Milosevic "is conducting his business as president of the republic and commander in chief absolutely normally."

Asked how Mr. Milosevic reacted to the missile attack on his official residence in the exclusive Dedinje section of Belgrade, Mr. Jovanovic quoted him as saying: "It's terrible, but perhaps less terrible" than if NATO had attacked a populated civilian area.

Former associates say the Yugoslav president seems to thrive in situations in which he has his back against the wall. "He is stimulated by crises," said an official who has worked closely with Mr. Milosevic.

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AGENDA

Airbus's Small Jet Challenges Boeing

Airbus Industrie on Monday formally introduced its smallest aircraft yet, the A318. The jet, for which orders so far have been modest, is the European consortium's latest challenge to Boeing Co. in their competition for regional jetliners carrying about 100 passengers. Airbus is making a late entry into the regional market. Page 9.

U.S. Urges Accord In Middle East

WASHINGTON (AP) — The United States urged Israel and the Palestinian Authority on Monday to reach a peace accord within a year and called for a Middle East summit meeting. May 4 is the deadline for concluding negotiations under the Oslo peace accords, and stalled talks have threatened to derail the process.

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On Pathway to Peace, Signposts of Civil War

Doubts Raised on East Timor's Survival

By Seth Mydans
New York Times Service

DILI, East Timor — With the energy of a football rally, a convoy of cheering enthusiasts with red-and-white headbands wound through this tiny seaside capital of the territory of East Timor. Then, shouting, "Kill them, burn their houses!" they jumped from their trucks and started shooting and lobbing hand grenades.

On the other side of town a similar group smashed its way into a house sheltering scores of refugees, slashing at them with knives and cutlasses. Not far away, they vandalized the office of the territory's small newspaper, destroying equipment and scattering files as two workers cowered in a darkroom.

At least 14 and as many as 30 people died in the rampage through Dili the weekend before last by militias that oppose independence for East Timor. Many more are believed to have been killed in recent weeks in remote villages, and thousands of people are reported to have fled into the hills for safety. The cause of the surge of violence: A peace agreement is at hand.

It is unclear whether this sad and battered territory can survive the endgame to its long separatist war. Many analysts fear that the prospect of settlement will only ignite an uglier, more intractable conflict.

In a sharp reversal, the Indonesian president, B.J. Habibie, announced in January that East Timor, annexed by Indonesia in 1976 after the withdrawal of its colonial ruler, Portugal, could select its own future after a generation of insurgent warfare. On Friday, the foreign ministers of Indonesia and Portugal announced that they had agreed on a plan to allow East Timor to choose between independence and an autonomous status within Indonesia.

The vote would be on whether to accept an autonomous arrangement under which Indonesia would control the territory's security and foreign relations. Mr. Habibie said that if autonomy was rejected, East Timor could simply cut itself loose from Indonesia.

Though the plan has not yet been

signed and its details have not been made public, it would mandate a vote, probably this summer, by the territory's 800,000 people. Many people here, and many political analysts in Jakarta, say, though, that this is a formula for civil war.

While many East Timorese have fought and died in a struggle for independence, many others have cast their lot with Indonesia and stand to lose in an independent state. While many yearn for statehood, others fear that East Timor — a tiny half-island territory closer to Australia than to Jakarta — could not stand on its own economically.

East Timorese are not ready to put these differences to a vote, the analysts say. Their wounds are too raw, their enemies too deep and their culture too violent after a generation of bitter warfare.

Neither side is prepared to accept the result if it goes against them.

"Whichever way it goes it will mean civil war," said Aniceto Guterres Lopes, director of the Hak Foundation, the local human rights organization, who spends nights in hiding. "And because this war will be among East Timorese, it will be harder to resolve than the war between East Timorese and Indonesians."

Indeed, it appears that the Indonesian military has already begun a process of Timorization of the war. The truckloads of men who terrorized Dili were some of the thousands of recruits who have joined ragtag military-backed militias since the start of the year. These groups, which support continued integration with Indonesia, are carrying on a war of intimidation from which the military has officially withdrawn.

The agreement reached at the United Nations gives the military responsibility for assuring that a referendum is free and fair, a prospect that for some people casts doubt on the sincerity of the Indonesian side.

The Indonesian military has done a very good job of showing what kind of response there would be to the East Timorese people if they fight back, and that is a massive military response against civilians," said Dr. Dan Murphy, an American doctor who runs a small clinic in Dili.

Diplomats in Jakarta say the aim of



FULLY INVESTED — Salahuddin Abdul Aziz Shah, a former school inspector, and his consort, Siti Aishah, walking Monday in Kuala Lumpur after a rite opening his reign as king of Malaysia. Sultans from nine states take turns as head of state, a ceremonial position.

the military, despite official denials, seems to be to block the apparent momentum here for full independence by derailing or skewing the outcome of a referendum.

The militia campaign has raised questions about the military's commitment to Mr. Habibie's offer of self-determination. This offer sharpens a long-held fear by the government that independence for East Timor could inflame separatist insurgencies around the country, particularly in the provinces of Aceh and Irian Jaya.

The military is already overextended, analysts say, in trying to maintain sta-

bility and unity at a time when Indonesia is going through a dangerous transition from the dictatorship of former President Suharto, who resigned last May.

For the moment, the militia have the initiative in East Timor, and the separatist rebels and their civilian supporters have gone underground. Their leader, Xanana Gusmao, who is under house arrest in Jakarta, responded to reports of killings by ordering his men to fight back, but he later rescinded the order.

But fears of a purge by these forces have caused a swelling exodus of many Indonesians who have migrated to East Timor over the years. Separatist guerrillas have also used brutal tactics against their enemies.

"If the pro-independence group wins, we will be the first to die," a pro-integration leader told the National Commission on Human Rights. Government services are provided largely by outsiders sent to East Timor from Jakarta, and they also are potential targets of separatists. Hundreds of teachers, medical workers, civil servants, and telephone and electricity workers are fleeing the territory, leaving its people increasingly bereft.

The long-running war has taken as many as 200,000 lives and left the atmosphere chilled and brutalized.

"The militia are mostly unemployed youngsters or school dropouts," said Adorio Hugo da Costa, a newspaper editor who is in hiding.

There was nothing subtle about the orders to thousands of new recruits before their rampage through the city. "As from today, I order all the pro-integration militia to conduct a cleansing of the traitors of integration — capture them and kill them," said the leader of the main militia group at an induction ceremony.

In an interview, the leader, Eurico Guterres, seemed to relish the prospect of violence. "It's going to be a civil war," he said. "In East Timor, it is normal for father and son to fight each other."

India Prepares For Unwanted New Elections

By Pamela Constable
Washington Post Service

PATNA, India — The caretaker government in New Delhi dissolved Parliament on Monday and called for new national elections "as early as possible," acknowledging that neither major political party has enough support to form a stable government and leaving this huge, impoverished democracy facing its third election in many years.

After nearly two weeks of mounting political confusion, which included the forced resignation of Prime Minister Atal Bihari Vajpayee on April 17 and a desperate unsuccessful scramble by opposition leaders to create a viable alternative, the dramatic announcement by Mr. Vajpayee's information minister came as something of a relief.

Although many Indians have dreaded the prospect of yet another disruptive and expensive election, analysts said it was the only way to resolve a messy political stalemate that had developed in Parliament, where Mr. Vajpayee was ousted by only one vote and neither his Bharatiya Janata Party nor its opponents led by the Congress (I) Party have been able to seize even a marginal advantage since.

No date has been set for the poll, but it could come as soon as May or as late as September, officials said. The electoral commission, which will be meeting over the next few days, is highly unlikely to schedule balloting during the monsoon season of July and August.

The decision by Mr. Vajpayee's cabinet was made after President K.R. Narayanan, a centrist appointee, gave Congress almost a week to form a new government. But the Congress Party leader, Sonia Gandhi, unable to bring order to the chaotic opposition forces, reluctantly told Mr. Narayanan on Friday and again Sunday night that she did not have enough votes to do so.

Government aides were quick to blame Congress and its quarrelsome allies for bringing down Mr. Vajpayee's coalition after only 13 months in power and then failing to come up with a viable alternative. They said that they expect Mr. Vajpayee, 76, to lead them in the coming election campaign and that his candidacy will benefit from a wave of voter sympathy.

"Congress and the Communists are responsible for this," Pramod Mahajan, minister for information and broadcasting, said after making the announcement. "They have thrust upon the people of India a third election in the last three years, which they don't want. We are sure the people will give them a befitting reply" at the polls.

Congress leaders, in turn, blamed defecting allies in their ranks, especially the Samajwadi Party leader Mulayam Singh Yadav, for undermining what they also called a responsible effort on their part to build a new government in days.

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BRIEFLY

Appeal by Anwar Goes to High Court

KUALA LUMPUR — Lawyers for former Deputy Prime Minister Anwar Ibrahim filed a notice of appeal Monday against his conviction and sentence to six years in jail for corruption.

"A notice of appeal was filed at the High Court registrar," Sankara Nair, one of Mr. Anwar's lawyers, said. "The Court of Appeal will decide the date."

Mr. Sankara also confirmed that the five charges of sodomy and one of corruption that Mr. Anwar still faced would be mentioned Tuesday at the High Court before Justice Datuk Abdul Wahab Patail. The court was expected to fix dates for those charges to be heard. (AP)

15 Reported Injured In Kashmir Shelling

MUZAFFARABAD, Pakistan — Indian troops stormed into a Pakistani village and fired mortars across the border of Kashmir, wounding at least 15 civilians. Pakistani police said Monday.

The police said Indian soldiers, in a hit-and-run attack Sunday, had destroyed two homes in a village along the disputed border that divides Kashmir between Pakistan and India.

India denied it had attacked. "There is no truth in the report," an Indian Army spokesman said. (AP)

Beijing Wrestles With Cult Protest

BEIJING — Chinese leaders grappled Monday with the challenge presented by a group that surprised the authorities and held the largest protest in Beijing since the crushing of pro-democracy demonstrators in Tiananmen Square 10 years ago.

Publicly, government leaders decided to act as if the protest Sunday by 10,000 members of the Falun Gong cult in the heart of Beijing had never happened.

They ordered official silence in government offices and news media on the protest, according to an official who had attended a meeting on the matter and spoke on condition of anonymity. The demonstrators were followers of a martial-arts master who teaches a form of meditation and exercise known as Falun Gong.

Behind-the-scenes, Prime Minister Zhu Rongji intervened personally to try to defuse the protest, meeting with several representatives of the demonstrators, the government official said. (AP)

Philippine Rebels Reject Talks Offer

MANILA — Communist rebels rejected an offer Monday from President Joseph Estrada to resume peace negotiations after the guerrillas' release of the last of five military and police hostages.

Mr. Estrada said the government was willing to accept an offer by the Roman Catholic archbishop of Manila, Cardinal Jaime Sin, to hold the talks at his residence. (AP)

Australia Seeks Disarmament in Timor

By Michael Richardson
International Herald Tribune

SINGAPORE — Australia will press Indonesia on Tuesday to disarm rival factions in East Timor and free the East Timorese rebel leader Xanana Gusmao to help pacify the disputed territory before a vote organized by the United Nations is held on its future, probably in early August, officials said.

The Australian prime minister, John Howard, said Monday that he would emphasize in talks with the Indonesian president, B.J. Habibie, in Bali on Tuesday the interest Australia and the international community have in seeing "an orderly and peaceful resolution of the difficulties in East Timor."

He said that Australia had "an immense concern" about the bloodshed, loss of life and "the denial of human rights that clearly occurred" in the former Portuguese colony, which was invaded by Indonesia in 1975 and annexed in 1976.

Shortly before flying to Bali on Monday to join Mr. Howard for the talks, the

Australian foreign minister, Alexander Downer, said in Singapore that Australia wanted to see Mr. Gusmao released from house arrest in Jakarta soon after May 5, when Indonesia and Portugal are scheduled to sign agreements with the United Nations on how the East Timor vote is to be organized and secured.

Mr. Downer said that he had held a lengthy meeting with Mr. Gusmao recently and found him to be a very moderate and reasonable person.

"I think he can be a stabilizing influence on the ground in East Timor," Mr. Downer said. "We would have liked him to have been released before. But in any case, given the sensitivities in Indonesia, after the 5th of May might be a very good occasion to release him."

Australian officials have made it clear that Canberra will seek to use its influence with the Indonesian government and military so that the UN-supervised vote on whether a majority of East Timorese want autonomy or independence can be held in reasonably free and fair conditions that will be acceptable to the international community.

About 250 strikers disrupted road traffic Sunday to the terminal where passengers board planes bound for Paris. Union representatives and management met briefly Saturday but failed to make any progress. But Air France said it hoped to have 20 flights from Nice to Paris on Monday.

The strike protesting Air France's plan to contract some services to outside companies has disrupted flights to and from the French Riviera severely. A statement from the Foreign Affairs and External Trade and Development Cooperation ministries advised against travel in East Timor, the Moluccas, West Borneo and North Sumatra. But it said the situation was calm in the traditional tourist destinations of Bali and Lombok. It also said street crime had risen because of Indonesia's economic crisis.

Belgium Warns on Indonesia Unrest

BRUSSELS (Reuters) — The Belgian government Monday warned people traveling to Indonesia that it fears tensions on the archipelago will get worse in the run-up to elections June 7.

A statement from the Foreign Affairs and External Trade and Development Cooperation ministries advised against travel in East Timor, the Moluccas, West Borneo and North Sumatra. But it said the situation was calm in the traditional tourist destinations of Bali and Lombok. It also said street crime had risen because of Indonesia's economic crisis.

An article about Nissan Motor Co. in the April 24-25 editions was accompanied by an erroneous photograph. It showed Georges Ghosn, a French editor, instead of Carlos Ghosn, the former top executive at Renault.

TRAVEL UPDATE

Ground Staff Extends Strike in Nice

NICE (AP) — Air France ground staff in Nice voted unanimously Monday to extend a 12-day-old strike over job security for another 24 hours.

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Correction

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WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.



Europe

City	Today	High/Low	Wednesday	Thursday	Friday
Paris	64°F / 54°F	64°F / 54°F	64°F / 54°F	64°F / 54°F	64°F / 54°F
London	53°F / 43°F	53°F / 43°F	53°F / 43°F	53°F / 43°F	53°F / 43°F
Paris	53°F / 43°F	53°F / 43°F	53°F / 43°F	53°F / 43°F	53°F / 43°F
London	53°F / 43°F	53°F / 43°F	53°F / 43°F	53°F / 43°F	53°F / 43°F
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Paris	53°F / 43°F	53°F / 43°F	53°F / 43°F	53°F / 43°F</	

THE AMERICAS

Venezuela on Uncertain Course to New ConstitutionBy Larry Rohter
New York Times Service

CARACAS — Venezuelans have overwhelmingly approved a government-backed proposal to convene a national assembly to write a new constitution. The decision signals the disintegration of the political system that has been in place here for more than 40 years.

Less than half of 11 million eligible voters apparently took part in the referendum, called by President Hugo Chavez as part of his plan to install what he calls "a true participatory democracy."

That immediately led opposition leaders to question the legitimacy of the official results, in which more than 85 percent of those who cast ballots favored a new constitution on the president's terms.

Nevertheless, the outcome of the vote on

Sunday, combined with the approval Thursday of a special "enabling" law that allows Mr. Chavez, 44, a former army paratrooper, to rule by decree on economic matters, significantly strengthens the position of Venezuela's newly elected leader.

His supporters said that was exactly what this country, which has become the principal supplier of oil to the United States in recent years, requires.

"We need to undo the hands of our president and give him the powers he needs so that he can really govern and make the changes Venezuela needs," Pureza Duenas, 47, a nurse, said as she waited to vote Sunday morning. "He can't do that in this fake democracy we have, in which a bunch of corrupt politicians use a flawed constitution to hold him in check."

But opponents of the proposal have expressed concern at Mr. Chavez's behavior

since he took office in February, seven years after leading a violent but unsuccessful coup attempt.

That conduct has included making threats to declare a state of emergency that would give him enhanced powers, expanding the military's role and announcing that he intends to seek a second consecutive five-year term of office, something the current charter prohibits.

"The president is right in wanting to correct the many shortcomings in our institutions," said Luz Marina Rondon, 42, an engineer, "but no single person should be given absolute power. We need gradual change, not a radical change, and it needs to be carried out within the existing system so that the economy and stability of the country are not damaged."

Because the attributes and powers of the constitutional assembly have not been clearly detailed, political turbulence seems likely to increase, not diminish, as a result of the vote

Sunday. Last month, for example, the Supreme Court ruled that the assembly will not have the power to dissolve Congress or the court system, as Mr. Chavez had proposed. He has given strong indications, though, that he intends to defy the ruling, which he dismissed last week as meaningless.

"It would be the same as me decreeing that the sun will not rise in the morning," he said.

Under the procedures approved Sunday, the constitutional assembly will consist of 131 members to be chosen in a special election, likely to be held late next month, in which candidates apparently will not be allowed to run under party banners.

Counting from the day it is sworn in, which Mr. Chavez suggests should be July 5, Venezuela's Independence Day, the panel will have six months to draw up a new charter, which will then be put to a popular vote.

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POLITICAL NOTES

Gore Sees Chance to Fix Social Security This Year

WASHINGTON — Vice President Al Gore said he believed Congress and the Clinton administration could still agree on Social Security reforms this year, despite a prediction by the Senate majority leader, Trent Lott, that it is not going to happen.

"I believe Social Security reform absolutely can be done this year — if Republican leaders make a clear decision to put Social Security first," Mr. Gore said in a speech to the Communications Workers of America. "I urge the Republican leadership to send not mixed signals, but one clear signal: that they will work across party lines, in good faith, until America's retirement program is strong for our future."

Mr. Lott said Sunday that the White House has failed to get serious about Social Security, preventing Congress from acting on reform this year.

Quote/Unquote

A top adviser to Vice President Al Gore, discussing the impact of the war in Kosovo on the upcoming presidential campaign: "It is becoming more of a reality that we will be campaigning through the primaries with presidents fighting door-to-door in Kosovo. The preface to every campaign stop will be Kosovo."



HEIRS — Mireya Moscoso saluting supporters in Panama City. The widow of Arnulfo Arias, a three-time Panamanian president ousted by General Omar Torrijos, she is running for the office against Martin Torrijos, the general's son.

AMERICAN TOPICS**College Professors Get the Boost**

Average salaries for U.S. college professors rose 3.6 percent last year, their biggest inflation-adjusted jump in a dozen years, leaving full professors at 19 institutions earning \$100,000 or more a year.

The highest salaries were at institutions offering doctoral degrees, led by Rockefeller University (\$125,400), Harvard University (\$122,100), Stanford University (\$117,000), Princeton University (\$114,900) and the California Institute of Technology (\$114,600). At the bottom end, with salaries below \$33,000, were lesser-known establishments, including Cornish College of the Arts and Trinity McConnell College.

Overall, the average salary of college professors rose to \$56,282. The Chronicle of Higher Education reports, in a further sign of the strong economy that has bolstered salaries in many sectors.

But Linda Bell, an economics professor at Haverford College, who compiled the statistics as part of a

report for the American Association of University Professors, said that the high pay at some institutions masks what she called "alarming" trends.

Full professors at private schools are now paid \$20,000 more on average than their counterparts at public institutions, she found, and men earn about \$9,000 more on average than women. Also, Ms. Bell noted, professors still earn about 30 percent less than the average highly educated professional in law or engineering.

Short Takes

Los Angeles, long a city without a center, is in the midst of a major push to develop a real downtown, where people both work and live. For years the downtown has been a daylight-only workplace that emptied at rush hour. But more and more downtown workers are fed up with endless commutes and boring lives in suburban "Sprawlville."

Now, reports U.S. News & World Report, about a dozen major development projects and several smaller ones are under way, powered by a shift in the city-suburban mind-set that has changed cities like Denver, Dallas and Seattle.

In the last two years, about \$2 billion has been spent in downtown L.A., including the \$350 million Staples Center, which houses three professional

sports teams; a \$205 million Walt Disney Concert Hall; and a \$163 million Roman Catholic cathedral. At the micro level, some 2,000 artists and others have been snapping up loft space in the area.

Alabama, where public buses were desegregated in the 1950s followed by schools in the 1960s, has taken a step toward repealing the nation's only remaining state constitutional ban on interracial marriages. The state House voted without dissent to repeal the ban, which is no longer enforced.

If three-fifths of the Senate approves, the legislation would go to the voters. South Carolina removed its provision in February.

In San Francisco, a proposal to erect a sculpture of a giant foot along the waterfront has gotten the boot.

The 18-foot-tall (5.5 meter) stainless-steel foot had won the unanimous approval of the city's Art Commission. To be called "Embarc," it was to show that "at this point in the new millennium, the journey would continue," said the sculptor, Richard Knight. But many San Franciscans derided the artwork as inappropriate and a waste of \$500,000.

City supervisors have rejected the project.

Brian Knowlton

Breaking Their Bonds to Home Base**Families Left Stranded in Cuba When Baseball Players Defect to U.S.**

By James C. McKinley Jr.
New York Times Service

HAVANA — Reynaldo Ordonez Fiallo received a gift from the United States one day last month — a new, unmarked baseball glove made of beautiful tanned leather. As a bonus, the glove came with a tag bearing a color photograph of his father, the slick-fielding shortstop for the New York Mets, who is also named Rey Ordonez.

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And there are a few, like Mr. Ordonez, who have become estranged from those they left behind.

Roberto Colina, a former first baseman on the Cuban national team, defected in 1996 and has managed both to support his family and reunite with his wife and daughter in Florida as he tries to earn a spot with the Tampa Bay Devil Rays. He is now a designated hitter in the minor leagues for the Class AA Orlando Devil Rays.

For Jorge Luis Toca, his act of daring and selflessness has produced more mixed results. Also in the minor leagues, he has sent money back to his parents and brother, but his relationship with the mother of his 3-year-old son has deteriorated, and it is unclear if they will ever share a life together again.

"It's a difficult step to take this decision," Mr. Colina said of the option to defect. "One doesn't know if one will be able to get the family out. It's not easy. I decided to go ahead and whatever happened, happened."

The exodus began in earnest in 1991, when Rene Arocha, a pitcher with the Cuban national team, walked off an airplane that made an emergency stop in Miami and, in short order, got a contract with the St. Louis Cardinals, for whom he pitched from 1993 through 1995.

Mr. Arocha's success, and a Cuban economy devastated by the collapse of the Soviet Union, underscored the promise of American baseball and multimillion-dollar contracts.

Only a handful of the defectors have made it to the major leagues. Among them are Rolando Arrojo of the Tampa Bay Devil Rays, Livan Hernandez of the Florida Marlins, Orlando Hernandez of the New York Yankees and Osvaldo Fernandez of the San Francisco Giants.

Almost always, the Cuban authorities have not permitted the families to follow.

A notable exception was made when a personal request to Fidel Castro by Cardinal John O'Connor, the archbishop of New York, resulted in Orlando Hernandez's being joined by his former wife and two children. They now live in Miami.

In Cuba, the government treats the players who left as if they do not exist, never mentioning them again in the state-controlled press. On the streets, however, they have become folk heroes to many citizens.

For their families left behind, the players are often something between invisible and heroic.

Like many Cuban emigrés, most of the players send dollars back to their families. The remittances provide a desperately needed economic lift.

Beyond financial support, players who make it onto professional teams, even in the minor leagues, are also a source of great pride — a pride, however, often tempered with a sense of loss, especially for older parents, who cannot envision themselves emigrating.

Tears still form in Francisca Gomez's eyes when she explains the decision of her son, Toca, to leave Cuba. Mrs. Gomez says she understands why he left, but she wonders if she will ever see him again.

"He didn't want to go," she says. "He had everything here. A house. A family. His son."

Mr. Toca is currently playing first base for the Binghamton Mets in upstate New York, the Mets' Class AA club. He escaped from Cuba on a tiny launch last year with three other players and a pitching coach.

Mr. Toca's relatives, however lonely, still support his decision, saying he had no choice. He had been suspended for life from Cuban baseball in July 1997, after he and several other players spoke on the telephone to Mr. Arrojo, the pitcher who had fled Cuba in 1996.

"He had no other way out," said his father, Juan Antonio Toca Garcia, a 56-year-old dental technician. "His life and his job was to play baseball."

Mr. Toca's parents say he calls every week and sends money. But they say the financial assistance is secondary to his athletic success. They feel an injustice was done to him here.

"He doesn't even have to send anything home," Mr. Toca's father said. "As long as he triumphs. That's enough. That's enough joy for us."

Away From Politics

• Five 14-year-old boys were arrested in Wimberley, Texas, on charges that they plotted a bomb attack on their junior high school after gunpowder, crude explosive devices and bomb-making information were found in several of their homes. Authorities were weighing charging the boys as adults. (AP)

• Two boys in Chicago, ages 7 and 8, who were wrongly accused of killing an 11-year-old girl, deserve an apology from the city, Mayor Richard Daley said. (AP)

• Memorial Service for the Slain

Paul Duggan and Tom Kenworthy of The Washington Post reported earlier.

Amid grief so profound that winter seemed to have settled here permanently, Colorado residents by the tens of thousands gathered in a cold rain to mourn the dead of Columbine High School: a dozen students and a teacher murdered by a pair of teenagers in an unfathomable rage.

As police and federal agents paused to honor the dead, a shopping-center parking lot one mile (1.6 kilometers) from the school became a site Sunday afternoon for remembrance and introspection.

Three generations of mothers sat in lawn chairs holding hands.

Ronnie Smith stood alone, clutching three white carnations. "This is our community, this is our city," said Mr. Smith, a father of four who coaches football.

"Most of all, these are our children."

The mourners fell silent when the Arapahoe Road Baptist Church Choir began singing.

Near the ceremony's end, Governor Owens asked the crowd to join him in praying for the families of the dead. A white dove was released each time he read out a name.

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U.S. Beef

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Page 5.
Pages 6-7.
Pages 18-19.

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Forbidden Oil Flows From Thaw Between Syria and Iraq

By Douglas Jehl
New York Times Service

TADMOR, Syria — In a brazen violation of United Nations sanctions, scores of Syrian trucks laden with Iraqi oil shuttle past this desert oasis every day, reflecting the ties that have turned the former foes into friends.

Syria and Iraq long were bitter enemies, with their ruling Ba'ath parties divided by intense rivalry. In the early 1980s, when Iraq and Iran went to war, Syria sided with Iran, and Syrian troops and tanks were part of the U.S.-led coalition that drove Iraqi forces from Kuwait during the Gulf War. Until October 1997, the border between the two

nations was closed, and top Syrian and Iraqi officials regularly traded snipes.

But there has been an abrupt realignment in the past two years, with Syrian trade delegations visiting Iraq and the reopening of the border. Trade between the two countries has blossomed.

Some of it is authorized by the United Nations, under arrangements that allow Iraq to import limited quantities of goods. Some of it, like the oil-tanker traffic, is not authorized.

The oil shipments have angered the United States and Britain, which have asked the Syrian authorities to stop them, diplomats in Damascus said. But the Syrians appear in no mood to do so, and some diplomats say they believe that

the government may play a role in distributing the oil.

The scope of the operation can be seen plainly in Tadmor, a village 220 kilometers (135 miles) northeast of Damascus. The town lies on a desert highway that has become a main thoroughfare for the illicit deliveries.

Tanker drivers regularly pull off the road at the Roman ruins of Palmyra nearby, in full view of the Syrian police.

The operation clearly benefits both countries, the diplomats said. It gives Iraq a market beyond what the United Nations allows, and it gives Syria petroleum products. Syria is an exporter of oil, but it must import some products, notably fuel oil and diesel.

Most of the diplomats said they believed the tankers were carrying fuel oil, perhaps to be bartered for Syrian goods.

They said it was clear that the operation was being coordinated on both sides of the border.

The tankers began to appear on Syrian highways several months ago, the diplomats said. They said that volumes seemed to have increased in the past month and that hundreds of tankers each week now brought Iraqi oil to Syria.

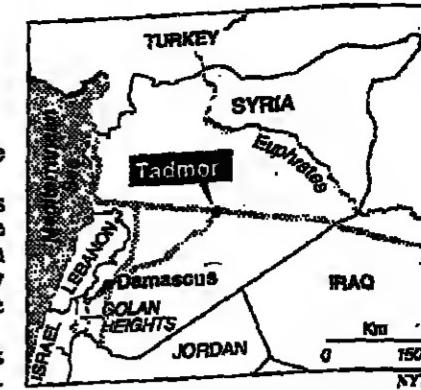
UN inspectors monitor only one of the three border crossings between the two countries, and their mandate allows them to search only shipments entering Iraq. Syrian military and intelligence personnel staff all the entry points, but the diplomats

said there was no evidence that they have tried to obstruct the shipments.

"When we raise the issue, the Syrians say, 'Well, it's a long border, and we can't patrol every inch,'" a Western diplomat said. "But they clearly know what's going on, and some of us believe they're facilitating it."

The diplomats said the Iraqi oil was sold or bartered to Syrian buyers, possibly including the government, or driven on to Lebanon.

As part of its warmer ties with Baghdad, Syria has said that it intends to open a long-closed pipeline that would allow Iraq to ship its oil to Syrian ports on the Mediterranean. But Syria has said it would do so only with UN approval.



Russia Asserts It Will Ignore NATO Oil Ban

By David Hoffman
Washington Post Service

MOSCOW — Russia said Monday that it would ignore the oil embargo imposed on Yugoslavia by NATO, but it prepared to play host to a new round of diplomacy seeking to settle the conflict.

Deputy Secretary of State Strobe Talbot arrived for talks, and President Boris Yeltsin telephoned President Jacques Chirac of France.

Foreign Minister Igor Ivanov said Russia would not abide by the embargo. "The naval sanctions on oil deliveries to Yugoslavia are not binding upon Russia," he said. "NATO sanctions are binding only upon the 19 NATO member countries."

But Prime Minister Yevgeni Primakov was more cautious. Asked what Russia would do if cargo vessels en route to Yugoslavia were blocked, Mr. Primakov said, "This is a question with many unknown aspects. First of all, what kind of Russian ships these are. Secondly, what kind of steps NATO will take ... we will act in case we take into account all circumstances."

Russian officials said they continued to hope to play a role in a settlement. They said "new ideas" were floated at a high-level Kremlin meeting Monday. Earlier efforts at Russian mediation have fallen flat.

Details of Mr. Yeltsin's phone call to Mr. Chirac were not released. Mr. Yeltsin spoke with President Bill Clinton over the weekend.

Viktor Chernomyrdin, who has been named special envoy on the conflict, is to meet with Mr. Talbot to discuss the former prime minister's recent visit to Belgrade and his suggestions for some kind of international peace force in Kosovo.

Later this week, the secretary-general of the United Nations, Kofi Annan, is due for a two-day visit here, along with Foreign Minister Yeorios Papandreou of Greece and Foreign Minister Lloyd Axworthy of Canada.

No Use of Force, General Says

A NATO general said Monday that allied warships could not use force in attempts to halt oil shipments to Yugoslavia. Reuters reported from Washington.

"A 'visit-and-search' regime does not give us the right to force anyone to abandon his course; so we cannot stop a merchant vessel by the use of force," General Klaus Naumann of Germany told reporters.

The general, who commands NATO's Military Committee, said the group was likely to approve an implementation plan for warships to begin searching vessels headed for the port of Bar in Montenegro.

The European Union and NATO have approved an embargo to stop oil going into Yugoslavia.

But General Naumann noted that the United Nations had not approved such an embargo.

"Obviously, this is going to be addressed on an urgent basis," a NATO spokesman, Jamie Shea, said at a briefing in Washington.

Milosevic Sends Plan For Peace to Gadhafi

Agence France-Presse

TRIPOLI — President Slobodan Milosevic of Yugoslavia has sent Libya's leader, Colonel Muammar Gadhafi, a proposal to end the war over Kosovo that calls for the creation of an international peacekeeping force, the Libyan news agency JANA said Monday.

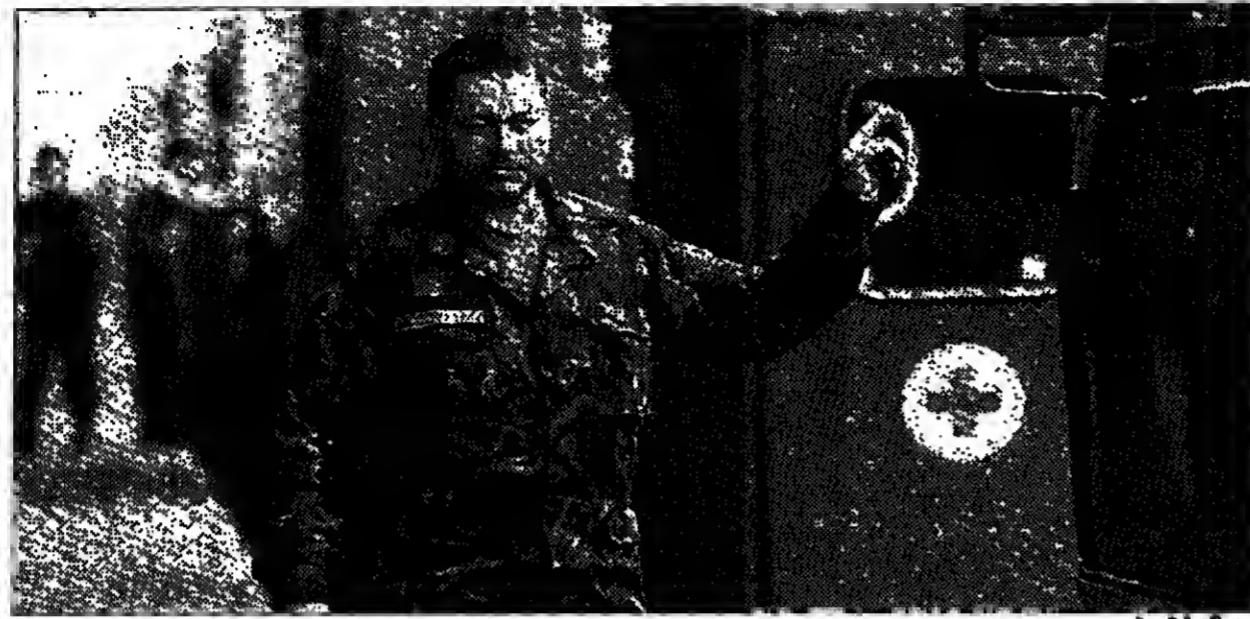
The proposal, presented to Colonel Gadhafi on Sunday by the Yugoslav deputy prime minister, Zoran Lilic, centers on four "essential points," JANA said:

"The cessation of all military operations; the creation of a peacekeeping force in the region to be made up of several nations, except those taking part in the conflict; the return of refugees, and their right to full autonomy within the Federal Republic of Yugoslavia."

"The importance that Colonel Gadhafi gives to security and peace in the world, as well as his friendly relations with all parties, make him the most likely candidate to make this proposal succeed," JANA said.

The Libyan news agency reported on April 17 that Mr. Milosevic had called on Colonel Gadhafi to use "the respect he enjoys from all parties and Libya's important role" in world affairs to resolve the crisis.

Libya has condemned the NATO air strikes.



A Czech soldier supervising the loading on Monday of a military hospital to help Kosovar refugees in Albania. (Sean Callahan/Reuters)

CAPITAL: Malaysia Builds a City, Hoping It Won't Be Noticed

Continued from Page 1

cost of the project, which will not be completed for another 15 years, is 20 billion ringgit, roughly a third of the government's total annual budget.

Less discussed — but perhaps more significant — are the social implications of the new capital for multiethnic Malaysia. The vast majority of the country's civil servants are indigenous Malays and the government's plan to move several hundred thousand of them to Putrajaya will radically change the face of Kuala Lumpur, which will remain the commercial capital.

The result could be racial polarity: Kuala Lumpur dominated by ethnic Chinese and Putrajaya dominated by the Malays, who have ruled the country since independence in 1957.

At its inception, Putrajaya was billed as a "garden city," a meticulously planned urban utopia. With few exceptions, Southeast Asian cities have mushroomed over the past three decades with little planning and even less regard for the environment. Putrajaya was meant to be a radical shift from that legacy. Roads, the most modern telephone infrastructure and sewage systems were planned alongside the buildings they would serve.

Details of the city were planned down to what residents' front yards would look like. Officials decreed that neighbors would not be allowed to put up fences between their properties nor would they be allowed to install television antennas on their roofs (fiber optic connections in every house will eliminate any need for unsightly antennas).

This neat and organized city was to be Prime Minister Mahathir's crowning achievement, a legacy after 18 years in

power. The very location of the new city holds significance for Mr. Mahathir. It was he who helped transform Malaysia from a country reliant on commodities — palm oil, rubber and tin — to a country with one of Asia's most diversified and dynamic economies.

The prime minister also inaugurated a long list of mega-projects: among them an international airport for Kuala Lumpur and the world's tallest buildings, the Petronas Towers.

But mega-project is a dirty term in Malaysia now, tarnished by government critics who say Malaysia can ill afford such grandiose things during these hard economic times.

As the crisis unfolded 18 months ago, the government canceled plans for regional airports, highways and a \$5 billion hydroelectric dam.

Putrajaya is the mega-project that got away — albeit quietly. Wary of providing ammunition for government critics, the government has kept details of the project under wraps.

"Try getting black and white information on Putrajaya," said an adviser to one of Malaysia's top politicians. "You might find some glossy brochures. But that's it."

Indeed, with the exception of a political squabble over the cost of the prime minister's new residence, Putrajaya — Malaysia's biggest construction project — has stayed out of the headlines in the past year.

"There is so little news," said Khoo Kay Kim, a Malaysian historian and authority on the early development of Kuala Lumpur. "People don't know much about it."

Although the government has succeeded in miring controversy over the project, Putrajaya's future is all but cer-

tain. It remains to be seen whether civil servants who live in and around Kuala Lumpur will want to sell their houses and move to the new city. Moving every ministry to Putrajaya could also prove very costly for a government struggling to steer its economy toward economic recovery.

"I don't think we're about to see a whole scale movement of government," said Jomo K.S., a professor of economics at the University of Malaya. "A lot will depend on general economic conditions and the survival of Mahathir himself as the head of government."

Foreign missions, for one, appear very reluctant to move. Many countries have recently refurbished their embassies in Kuala Lumpur and are loath to give up such prime real estate. A move to Putrajaya could also complicate ordinary things like visa services.

"I haven't heard of a single embassy that has talked about making a move there," said a Western diplomat who consults frequently with colleagues from other embassies. "For many countries one of the main reasons to have a presence in Kuala Lumpur is commercial relations, and that requires being in Kuala Lumpur."

But all this uncertainty obscures one central fact: construction of Putrajaya has continued throughout what was the most severe economic crisis that Malaysia has ever seen — not to mention anti-government street demonstrations and overt political dogfights.

Buildings that two years ago did not exist in Putrajaya are today already ready to receive the first contingent of civil servants.

The tenacity that Mr. Mahathir has shown in pushing through such projects as a new Formula One racing circuit, a giant sports stadium and a highway that spans the entire length of the peninsula Malaysia bodies well for the continuation of the project.

"I don't think it's going to be a white elephant in the way some of these more ill-considered capitals have become," said Mr. Jomo, the economics professor, referring to a list of government-led urban projects around the world that have flopped.

Others are less certain. "I'm not sure whether such projects will continue once a new regime comes to power," said the government adviser. "But then, what do we do with it?"

In a television appearance Sunday night, he urged the Belgrade government to accept a compromise on Kosovo that he predicted would be reached with Russian and UN mediation, and he called on state leaders to "stop lying to the people and finally tell them the truth."

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As a statesman, Mr. Milosevic has presided over disastrous setbacks for Yugoslavia and Serbia. During his 10 years in power, the country has lost traditional Serb-occupied lands in Croatia and Bosnia. The economy was a shambles even before NATO missiles began destroying the country's biggest industrial plants, bridges and power grids.

As a political tactician determined to hang on to power, however, Mr. Milosevic has few equals. In the opening phase of the present crisis, his grasp of military strategy and war aims seems to have been superior to that of his NATO enemies. While Mr. Milosevic apparently had a good idea of the damage that NATO was prepared to inflict on his country — and made the brutal calculation that the pain was bearable — NATO was unprepared for the all-out Serb offensive in Kosovo and the forced exodus of many of its ethnic Albanian inhabitants.

Even if NATO succeeds in wresting control over Kosovo from Belgrade through a protracted air campaign or a ground offensive, most Serbian observers believe Mr. Milosevic will find ways

to avert further punishment. "He is not a man to be trifled with," said a former associate. "This is not about him. This is about the country."

One of the very few political leaders who has openly espoused political compromise with the West is Deputy Prime Minister Vuk Draskovic, the leader of a moderate party who joined the government this year.

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In a television appearance Sunday night, he urged the Belgrade government to accept a compromise on Kosovo that he predicted would be reached with Russian and UN mediation, and he called on state leaders to "stop lying to the people and finally tell them the truth."

As a statesman, Mr. Milosevic has presided over disastrous setbacks for Yugoslavia and Serbia. During his 10 years in power, the country has lost traditional Serb-occupied lands in Croatia and Bosnia. The economy was a shambles even before NATO missiles began destroying the country's biggest industrial plants, bridges and power grids.

As a political tactician determined to hang on to power, however, Mr. Milosevic has few equals. In the opening phase of the present crisis, his grasp of military strategy and war aims seems to have been superior to that of his NATO enemies. While Mr. Milosevic apparently had a good idea of the damage that NATO was prepared to inflict on his country — and made the brutal calculation

EUROPE

States Like Bulgaria Need to Develop to Serve as Model to Yugoslavs

International Herald Tribune
Bulgaria and other countries bordering Yugoslavia received special attention at the just-ended NATO summit meeting in Washington for their key role in blocking trade with Belgrade and because of the economic costs they have incurred. Foreign Minister Nadezhda Mihailova spoke to Brian Knowles of the International Herald Tribune about what the Kosovo crisis means to Bulgaria's candidacy for alliance membership and about the longer outlook for the Balkans.

Q. Countries like Bulgaria, candidates for NATO membership, face both challenges and opportunities as a result of the Kosovo crisis — challenges because of the direct and indirect costs to their economies and stability, and opportunities to demonstrate their capacity to serve as reliable allies. How have Bulgarians responded to this?

A. People are not so concerned about the costs; they're serious about Bulgaria's chances of quickly becoming a member.

Q. But what have been the costs of the Yugoslav crisis?

Q & A / Nadezhda Mihailova

A. For nine years, Bulgaria has been a hostage to developments in Yugoslavia. The Yugoslav troubles have produced a criminalization of the region and led to the slowdown of some regional projects. Our western border with Yugoslavia was closed. And now, with the bombing of bridges over the Danube, trade has been hampered further. Fifty-four or 55 percent of Bulgarian trade is with the European Union countries. So, we're deeply interested in the war finishing as soon as possible, and not just by short-term peace.

Q. How might things have been different if countries like Bulgaria and Romania had already been NATO members when the Kosovo crisis was heating up?

A. If Bulgaria, Romania and other stable democracies had already been members, the conflict over Kosovo might not have happened at all.

There has been a lot of discussion about breaking Milosevic's monopoly on information. He uses as a thesis of his propaganda the example of countries surrounding Yugoslavia, saying that Bulgaria and Romania, despite their relationship with NATO, are no more developed than Yugoslavia.

To motivate the people of Yugoslavia, we have to show positive, alternative models in surrounding countries. For Bulgaria to be part of the second wave of NATO enlargement — no matter when it happens — is key to the future stability of the region.

Q. Long-term stability will be a problem so long as ethnic and religious hatred such as we have seen in Kosovo remain. What hope is there to change this?

A. The Balkans is an example of how economic and diplomatic problems encouraged by communist times mesh with the mentality of the

people in such a way that they don't respect differences. At a time when all of Europe is trying to integrate, both its economy and its defenses, the Balkans are Balkanizing themselves. We have to go against that trend. This will require very firm engagement by the international community. The Balkans have to be treated as a package.

Q. But what about changing deep-seated attitudes and resentments?

A. This is the main problem — not Milosevic. And the problem is not just in the political elite; it has penetrated deep inside society. The people of Yugoslavia have to be reintegrated in Europe, once this crisis is ended. They should not be isolated or they will turn inward and develop a shell, like concrete. The stakes are very high.

Q. What else can be done to change attitudes?

A. As we have seen elsewhere in Europe, prosperity and democracy are the keys to change. One way to communicate with the Yugoslav people is through Parliament and the political

parties, through cultural circles, even military people. All these dialogues will help them look from the other side, to see this has not been a war against the people of Yugoslavia. Above all, Yugoslavia should not be isolated.

Q. Does Bulgarian public opinion stand behind the NATO assault on Yugoslavia?

A. Public opinion is 50-50. None of the Bulgarian people, or few of them, support Milosevic, but they are aware of all the damage he has done.

At the same time, they do not see the NATO goals being achieved. People are very much concerned about the losses Bulgaria is sustaining. They are wondering whether the international community will recognize Bulgaria's losses.

We had been making significant success. Now we see the risk of everything being destroyed.

People are naturally opposed to the war. The political elite is trying to make very clear to them that this is not a typical war — this is not a war for territory or for the defeat of another country.

But the international community cannot sit back, and this is very clear.

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The Oil Embargo: Easy, Except for the Politics

By Eric Schmitt
New York Times Service

WASHINGTON — The mechanics of imposing an oil embargo against Yugoslavia enforced by NATO warships should be fairly simple, military officials say. The legal, political and diplomatic risks are far greater, particularly with Russia, which has furiously denounced the plan and thus raised the specter of clashes at sea.

Between 1992 and 1996, allied warships enforced such a ban on arms to all six republics of the old Yugoslavia in the same Adriatic waters. Some 6,000 ships were boarded and inspected, and only six were caught trying to smuggle weapons. Overland arms shipments still found their way into the hands of the warring factions — as did oil shipments to Serbia and Montenegro, despite comprehensive United Nations sanctions that virtually barred all foreign trade with the oil-starved republics.

But the ban on oil shipments to Yugoslavia that the North Atlantic Treaty Organization has now authorized is trickier to enforce. And stopping oil tankers from countries not party to the agreement, such as Russia, is an expansion of the role NATO has so far played in the month-long war with Yugoslavia.

The NATO secretary-general, Javier Solana, on Sunday sought to dismiss the Russian threat of war with a verbal wave: "The Russians, every now and then, they make phrases which go a little bit beyond where they should go."

Just as forcefully, Mr. Solana said on the ABC News program "This Week" that General Wesley Clark, the top NATO military commander, was writing a draft plan that considers "all the possibilities" so that the embargo can be guaranteed not only by NATO and NATO-friendly countries, but also for others. If it's an embargo, it will apply to everybody."

The goal of the embargo is to dry up the flow of oil into ports on the coast of Montenegro, the small republic that supplies its far larger partner in Yugoslavia, Serbia. The blockade could further undermine the democratic government in Montenegro by introducing more tensions into its relations with Serbia.

NATO officials say that with Serbia's two main refineries knocked out of operation, Yugoslav military officials are so desperate for fuel that they are siphoning it out of abandoned cars belonging to Kosovar refugees and using it for tanks and other vehicles.

U.S. intelligence analysts estimate that ports in Montenegro have unloaded about 300,000 barrels of oil in the past month, undercutting the air campaign's goal to dry up Belgrade's ability to resupply the Yugoslav troops in Kosovo who are expelling ethnic Albanians.

France and Italy, in particular, have raised questions about the legal justification for mounting a blockade against third-party countries, as distinct from an

embargo restricting only shipments from cooperating nations.

"If we make the choice of a blockade, then we have to recognize we risk war with a third party who hasn't agreed to the blockade," a French diplomat said. "For that you need a UN mandate."

Prime Minister Massimo D'Alema of Italy said over the weekend that the embargo by NATO and European Union countries could be carried out with on-board searches. But a blockade, as such, does not exist, he said.

And Foreign Minister Knut Vollebekk of Norway said in an interview, "As for third parties, we would like to see a UN Security Council resolution in order to make this binding."

But a senior Pentagon official said that while there may not be a specific Security Council resolution authorizing the ban, "the laws of armed conflict" justify such an embargo.

Jamie Shea, the NATO spokesman, acknowledges that "there would have to be a political discussion as to who is covered by such a regime." And Mr. Solana, in his closing briefing Sunday, made light of objections to the embargo, asserting that all 19 NATO members would be in agreement on General Clark's draft plan. The North Atlantic Council, NATO's political arm, is expected to review that plan this week, military officials said.

As outlined now, U.S. and other NATO officials said, the embargo would not try to exclude ships from Yugoslav ports. Instead, NATO would create a kind of seaborne police force to check manifests and to board selected ships to investigate cargo.

Ships caught carrying contraband oil would be turned back or diverted to other ports, but NATO military officials said the legal consequences of interdictions had not been worked out.

Other military experts said the issue could be rendered moot simply by the stated purpose of the naval armada. "The very presence of NATO ships would be a deterrent, and would induce ships to go back," said Senator John Warner, Republican of Virginia, who heads the Armed Services Committee.

A delicate part of the mission would be the actual rules of engagement. Once NATO affirms a plan, a notice with the rules would go out to all international mariners. NATO warships would probably establish checkpoints off the coast of Montenegro to check vessels.

If ships were suspected of carrying contraband, they would be boarded and inspected. Allied ships could fire on any vessels that refused to comply, first as a warning, and then to disable, violators.

Naval officers say there are also non-lethal means of stopping a rogue tanker, including devices that would entangle a ship's screw or rudder.

"In a tactical sense," said Admiral Lukas Krone, chief of the Dutch defense staff, "it's no problem to execute this."



Reinhard Krause/Reuters
A fearful Kosovar woman, above, who arrived Monday in Kukes, Albania, after days in hiding from Serbs. A woman in Belgrade with six candles for friends killed in the TV center raid.



Leigh Sales/The Associated Press
A woman in Belgrade with six candles for friends killed in the TV center raid.

Amid NATO's Pomp, Forebodings

By R.W. Apple Jr.
New York Times Service

WASHINGTON — The timing could hardly have been worse at the commemoration of the 50th anniversary of the North Atlantic Treaty Organization was largely obscured by savagery of war in Kosovo and school killings in Colorado.

In addition, the absence of the Russians sounded a foreboding note, especially since many of the European diplomats who assembled here over the weekend consider it a near certainty that they will eventually have to call upon the Russians to help negotiate an agreement in Kosovo or to help enforce one — or both.

President Bill Clinton did what he could to keep that possibility open in a long telephone conversation Sunday with the President Boris Yeltsin.

But the NATO summit meeting, which ended Sunday, proved to have unanticipated uses, however inert the rhetoric and however unconvincing the reports of steady, significant military success may have been.

On the most basic level, it gave Mr. Clinton a chance to dramatize the fact that the air attacks against Yugoslavia over Kosovo are the attacks of a broad international alliance, although most of the aircraft are flown by Americans and most of the missiles are fired by Americans.

For years, Americans have ar-

guing that the Balkans are a European problem, and asking why Europeans are not stepping in to handle it.

On a number of occasions, the United States has thrown up its hands entirely, in part because American politicians considered the Balkans a quagmire where public support for any American involvement would soon dissolve.

"We've got no dog in this fight," said James Baker 3d, then secretary of state, after a visit to Yugoslavia as it was beginning to disintegrate eight years ago.

NEWS ANALYSIS
Yugoslavia

Over the weekend, in a nice piece of symbolism, news briefers with European accents — an Englishman, an Italian, a German, a Spaniard — stood behind lecterns in Washington with their American counterparts to discuss the war.

The administration hopes some Americans were paying attention.

Likewise, there was strength in visible numbers for the leaders of countries where the military campaign against President Slobodan Milosevic of Yugoslavia is unpopular, and growing more so with each night as the bombs and missiles rain down.

President Vaclav Havel of the Czech Republic, a country with long-standing ties to Yugoslavia, could reveal for a while in his nation's new membership in the NATO "club," rather than confronting in Prague the bombs and missiles rain down.

Both disagreements were finessed, for the moment, with murky language.

"The good thing about this war," as Senator Joseph Biden, Democrat of Delaware, put it, "is that it's being fought by an alliance. The bad thing about this war is that it's being fought by an alliance."

reality of rapidly vanishing public approval for the alliance's policy in the Kosovo crisis.

The delegations from Greece and Italy played in both ways, trumpeting their solidarity with NATO in their official statements on the alliance stage Friday afternoon but speaking more critically to reporters from their own countries.

The longer the war, the more likely Greece will grow alienated from the United States, said the Greek prime minister, Costas Simitis.

Foreign Minister Lamberto Dini of Italy had harsh words for the mounting air attacks against civilian targets, including Serbian television facilities.

Those tensions were not resolved here, nor were others.

The French, though thoroughly committed to the bombing campaign, care more about United Nations authorization for future NATO operations than the other members, and they seemed more worried than their allies about the possibility of armed confrontation in efforts to block oil deliveries to Yugoslavia.

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"The good thing about this war," as Senator Joseph Biden, Democrat of Delaware, put it, "is that it's being fought by an alliance. The bad thing about this war is that it's being fought by an alliance."

BRIEFLY

£50,000 Reward Offered In London Bomb Blasts

LONDON — Police and other organizations have offered a £50,000 (\$80,000) reward for the arrest of white supremacist bombers attacking racial minorities, and an Asian group says it will mount its own patrols in Sonthill, a racially mixed south London district, which could be the next target of neo-Nazi groups.

A group in the central England city of Leicester, the Montserrat Community Association, warned that vigilante groups might take to the streets if the attacks continue. The Times of London reported Monday.

Suresh Gover said 100 volunteers from the Southall Monitoring Project and local mosques and temples would patrol Southall next Saturday wearing distinctive armbands.

On Saturday, in the second attack in eight days, a bomb exploded in London's Brick Lane, which has a high concentration of Bangladeshis. Seven people were slightly injured.

(AP)

Berezovsky Is Charged With Money-Laundering

MOSCOW — Boris Berezovsky, the controversial Russian tycoon, was formally charged Monday with money-laundering and barred from leaving Moscow while prosecutors investigate his case.

Mr. Berezovsky is accused of expatriating hard-currency profits from the state airline Aeroflot to a shell company in Switzerland he had set up.

The onetime Kremlin kingpin is charged with bilking hundreds of millions of dollars from the state airline, which he ran for several years, by naming his cronies to Aeroflot's board of directors.

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EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL**Reluctant Allies**

In more routine circumstances, the NATO 50th anniversary summit meeting could have been regarded as a resounding success. The United States and its European allies had a great victory in the Cold War to celebrate. They laid down a practical basis on which their alliance can move forward into the uncertain terrain of a new century. They assembled a common policy for dealing with the Kosovo crisis provoked by the atrocities, still being committed, of Serbia's Slobodan Milosevic.

And yet unalloyed satisfaction obviously was out of place at the summit. Kosovo hung over the proceedings, a dark reality that would not go away.

The summit meeting did not meet its litmus test: promptly start preparing a ground option for later decision. As a result, the alliance finds itself still having to prove its qualifications for 21st century service. Its so far ambivalent and inconclusive treatment of Kosovo leaves it under continuing obligation to show its capacities for dealing with post-Cold War crimes and disorders within the boundaries of sovereign states. The more so that facing up to these new happenings is precisely the task the alliance embraced in Washington as its reason for continuing for another 50 years.

The American dilemma remains what it has been since the bombing in response to Serbia's atrocities began just over a month ago. The available

means simply do not seem to fit the broad ends of policy. On Sunday, for instance, the Clinton administration, without otherwise adding to its military resources, toughened the alliance commitment to shield Macedonia, Albania and other "frontline" states against Serbian reprisal.

In the second month of bombing, moreover, the storied unity and cohesion of the alliance are being put to ever more rigorous test. The governing institutions of Germany, Greece and the Czech Republic are wobbling under the pressures of escalation. Allied controversy over a proposed campaign to embargo Serbia's ship-borne oil supplies is deepening. The expectation of a prompt allied victory by airpower has long since been frustrated, forcing the United States and other allies toward the hot-potato issue of ground troops. The Russian factor has its own potential for strain among the allies.

The NATO 19 are in fact allies, but reluctant allies, not automatic ones. The discipline of the Cold War has yielded to a measure of autonomous decision-making that is, although not incompatible with alliance, difficult to shape to it. What must be kept front and center is the horror of the killing and the mass deportation launched by Slobodan Milosevic and the absolute requirement on the Atlantic democracies to stand against such evil in Europe.

—THE WASHINGTON POST.

Captive of History

If Russia is ever to break free of the heritage that stunts its development, it must overcome its reflexive allegiance to bloody-minded tyrants like Slobodan Milosevic and Saddam Hussein. As hard as it may be for Boris Yeltsin, he should use this critical moment in Europe to push Russia toward an enduring partnership with the West. Only then can Russia hope to build the modern economy and democracy that its people want and deserve.

There are many reasons why Moscow is still dancing with Mr. Milosevic as his forces brutally assault the people of Kosovo, but none promise to benefit Russia as it struggles to rebuild its dysfunctional economy. Slavic solidarity, a common antipathy to NATO and fervent nationalism may play well in Moscow and Belgrade, but they are dead-end policies for Russia. The preservation of Slavic culture, language and ideology is an honorable aim, but it is not a productive foreign policy.

The Kremlin's embrace of dictators had a certain ruthless logic during the Cold War, when Russia was prepared to use whatever repression was required at home and abroad to protect and export its ideology. The United States, in the name of advancing democracy, closed ranks with anti-Communist tyrants in Asia and Latin America. But seven years after the disintegration of the Soviet Union, at a time when democracy and economic integration are reshaping the world, Milosevic and Saddam are political anachronisms. Alliance with them brings estrangement from the rest of the world, the last thing Russia needs.

In the case of Kosovo, Moscow undoubtedly fears that NATO intervention in Yugoslavia could lead someday to outside interference in Russia's own ethnic conflicts. But that is a false fear. NATO well knows that it cannot in-

tervene in Russia without igniting a new Cootineal war in Europe. Russia, for all the cruelty of its assault on Chechnya, did not conduct a genocidal campaign in the breakaway territory.

With anti-American sentiment rising in Russia, and parliamentary and presidential elections scheduled over the next 14 months, Mr. Yeltsin may feel that he cannot afford to lean away from Mr. Milosevic. But the paramount domestic issue in Russia is the ailing economy, not Kosovo. There is little need for Moscow to align itself so ardently with Belgrade.

Russia's role as a potential peacemaker would be enhanced if Viktor Chernomyrdin, Mr. Yeltsin's special envoy for the Balkans, were free to tell Mr. Milosevic that the Serbian offensive in Kosovo is intolerable. Mr. Milosevic might listen more closely to diplomatic proposals if Moscow declared that he must allow ethnic Albanians to return home under the protection of an international force of armed peacekeepers. Mr. Chernomyrdin said Mr. Milosevic agreed to such a force when they talked in Belgrade last week, but the Yugoslav government insisted that only unarmed peacekeepers had been discussed.

Russia's future development has little to do with Kosovo and a great deal to do with how Moscow manages relations with the United States and Europe. In the near term, Russia desperately needs \$4.5 billion in loans from the IMF; assistance that is likely to be approved soon if the Fund is satisfied that the government budget is responsible. But that is just a fraction of the foreign capital and commerce that Russia will need to attract over the next decade if it is to build a new and prosperous economy. Slobodan Milosevic is not going to be a big contributor.

—THE NEW YORK TIMES.

Ban Handguns Now

President Bill Clinton should seize the moment to stand up for a national ban on the general sale, manufacture and ownership of handguns.

Drastic? To be sure. A cure for kids with violent tendencies? No. A curb on criminal activity? To some extent. Most of all, it is a stiff proposal aimed squarely at America's phenomenal traffic in concealed weapons. Exceptions could be made for federal, state and local law enforcement and military agencies; collectors of antique firearms; federally licensed handgun sporting clubs with certain safety procedures; security guard services; and licensed dealers, importers or manufacturers that are determined to be meeting these needs.

Such a bill was proposed nearly seven years ago by Senator John Chafee, Republican of Rhode Island. "I hear people say it's a radical proposal," he

said at the time. "Well, I think to have the current situation is what is radical. No other country has anything like it." The number of guns in private hands grows on — about 60 million handguns. The National Rifle Association's lobbyists and their elected voices can be counted on to blast any proposal for a ban as part of a plot to disarm the citizenry and overturn the constitution. But individual citizens have deep personal reasons for concluding otherwise. They know that violence — whether by alienated high school students, hardened criminals, mentally disturbed people or innocent children playing with loaded weapons — has reached alarming levels in a country awash in concealable deadly weapons.

Where is Mr. Clinton on this question? Where are candidates for the presidency? Why not ban handguns now?

—THE WASHINGTON POST.

Is the Global Economy Widening the Income Gap?

By Jim Hoagland

WASHINGTON — The global economy created in the 1990s by the spread of markets, information technology and more open trade has yet to prove that it distributes its fruits more evenly than did the system of the Cold War era. The Internet may connect a world in which the rich still get richer and the poor get poorer — only faster.

You would expect a wealthy banker and a vigorous professor at Harvard University to disagree on this proposition. The surprise is in who takes which side of the argument.

"You hear talk about a new financial order, about an international bankruptcy law, about transparency, and more," one speaker told a ballroom audience here recently. "These issues are extremely important. But you don't hear a word about people. You don't hear about the underlying social structure that has to be developed" to underpin an effective and fair global financial and trading system.

That is the banker talking.

James D. Wolfensohn, president of the World Bank, clearly does not share the spreading sense among his fellow moguls of money that globalization equals general progress. He bristles at the modesty of the changes they are expected to endorse at the spring meetings of the International Monetary Fund and the World Bank in Washington this week and at the Group

of Eight summit in Germany in June. "If we don't get the base right, we'll have great architecture but the building will fall over," he said in an address to the Triilateral Commission.

Mr. Wolfensohn, a successful investment banker in his native Australia and then in New York, displays missionary zeal in focusing on the problems that the world's poor have in plugging into globalization. The poor, the intended beneficiaries of the development projects that the World Bank finances, are his constituency.

He worries that development assistance from the world's affluent countries has declined from \$60 billion 10 years ago to \$35 billion today, even as Third World countries have adopted free market systems and learned to use aid more effectively.

"Two billion people live on less than \$2 a day. [Almost as many] do not have access to clean water. The significant gains the world made in women's education are being reversed. We live in a world that gradually is getting worse and worse and worse. It is not hopeless, but we must do something about it now."

Mr. Wolfensohn argues for radical and comprehensive change. He has shaken up the World Bank and made foes at the IMF and the U.S. Treasury,

by arguing that macroeconomic financial programs such as those tried in Russia and Indonesia cannot alone resolve those countries' deep problems. He made those arguments before both economies went belly up.

Instead, he is pushing for a Comprehensive Development Framework, which would tie economic help for troubled economies to integrated planning to combat social infrastructure problems such as unemployment, collapsing health systems and poor access to education. These efforts have to be put in place with the traditional IMF programs to fight inflation and currency turmoil if the programs are not to continue to fail, he argues.

This Wolfensohian direness is out of sync with the mood within the world's chief financial oversight institutions. Brazil, South Korea and Thailand breathe easier after adopting IMF programs. Wall Street stocks are hitting record levels. The monster corporate credit crunch that seemed to threaten last autumn did not materialize. The system, after teetering, is back from the brink. A little tidy up around the edges will be the topic of discussion this week at the IMF meeting.

Mr. Wolfensohn's presentation was provocatively challenged at the Triilateral meeting, which brings together movers and shakers from North America, Europe and Japan for an annual

two-day discussion of the state of the world. The sharpest disagreement came from Richard Cooper of Harvard.

"While much human hardship remains, the late 20th century trend is unambiguously positive," says Mr. Cooper. "The fraction of the world population living in poverty has gone way down," largely due to improvement in India and China. He concedes that things may be worse in Africa and elsewhere. "But I resist strongly the generalization that the human condition has worsened over the past decade."

Mr. Cooper has statistics on per capita income, infant mortality, longevity and other categories on his side in this argument. But Mr. Wolfensohn's point rises above statistics. He spotlights a growing insensitivity to the plight of those left behind by the rising tide of globalization — or, as Joe Rogaly recently put it in the *Financial Times*, "the sense that as our knowledge of how to create wealth increases, our understanding of social relations, our moral sense, fails us."

Mr. Wolfensohn conceded only that he used overly dramatic rhetoric to state his case: "The sense of the warning is valid and correct. At the level of people, the system is not working." And he makes clear that he will push the argument out into the open every chance he gets.

The Washington Post.

NATO Could Win a Kosovo Ground War Within Weeks

By Robert Killebrew

WASHINGTON — "You can ask me for anything you like, except time," Napoleon.

The United States' and NATO's miscalculation of Serbian intransigence has led the alliance into a strange, one-sided war of attrition, in which President Slobodan Milosevic of Yugoslavia stands to win by waiting out NATO's air attacks. NATO's options seem to be: continue bombing and hope that Mr. Milosevic capitulates; seek a negotiated settlement; or initiate a combined ground-air offensive in Kosovo to secure the province by force.

There are dangers inherent in all three, but unless Mr. Milosevic caves in, ground operations provide the only realistic chance NATO and the United States have of winning this war.

Pundits have decreed that it would take to deploy effective ground forces to the region and to do the job. Some estimates amount to "months." But the estimates are wrong.

Despite difficulties in establishing ground operations — notably distance, terrain and weather — my experience in more than 20 years of planning and executing rapid force deployment operations tells me that NATO could get the right forces there in weeks, not months, and that its combined air-ground campaign could defeat decisively the estimated 40,000 regular and irregular Yugoslav forces now in Kosovo as well as reinforcements from elsewhere in Yugoslavia.

The list of available Western

forces already in the Balkans is impressive. Britain, France and Germany have about 12,000 troops in Macedonia. They have some very effective helicopter-borne units, and enough British Challenger, German

Leopard and French AMX-30 tanks there to form a significant armored force on Kosovo's southern border, along one of the few feasible tank routes into the area. The United States has deployed an Apache anti-tank helicopter unit and rocket artillery to Albania, along with a contingent of infantry for local security.

Military engineers from other NATO countries — soon to be deployed to support refugees — could also build and maintain ground supply routes and resupply points around Kosovo's periphery that would support combat forces.

First, however, NATO forces need a clear mission. For starters, NATO's objective to establish a broad and comprehensive settlement across the Balkans, one that leads to security and peace for its inhabitants, would give military commanders the scope and authority they need to plan and conduct a winning campaign in and around Kosovo.

Second, once NATO enters a ground war, the combined air-ground campaign must employ overwhelming power to force a rapid and decisive conclusion. That has not been the case thus far in the air war for many reasons, but primarily because although airpower can sometimes prompt negotiation, it is never decisive on its own.

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OPINION/LETTERS

Fighting Unemployment Must Be Japan's Priority

By Robert H. Dugger

TOKYO — Will Japan move from recession to recovery in the new fiscal year, as Tokyo has promised? No, but there are at last grounds for optimism about the Japanese economy.

Corporate and administrative restructuring will gain significant momentum this spring. Mitsubishi Electric Corp.'s recent announcement that it would cut capital spending and lay off 14,500 employees — 10 percent of its work force — is only the latest sign that the trend is taking hold.

The long-awaited transition from "old Japan" to a revitalized, job-creating "new Japan" is unmistakably under way. And reforms undertaken over the past several years — in banking, bankruptcy regulation, accounting and so on — will speed the process.

But getting from old to new will be economically excruciating and could come with a high political price.

Unemployment, now a record 4.6 percent, is set to worsen. About 2 million Japanese workers are now jobless; 4 million more — the "window sitters," who are hidden unemployed — are waiting in the wings. And as joblessness rises, wages are falling, cutting household incomes by up to 10 percent.

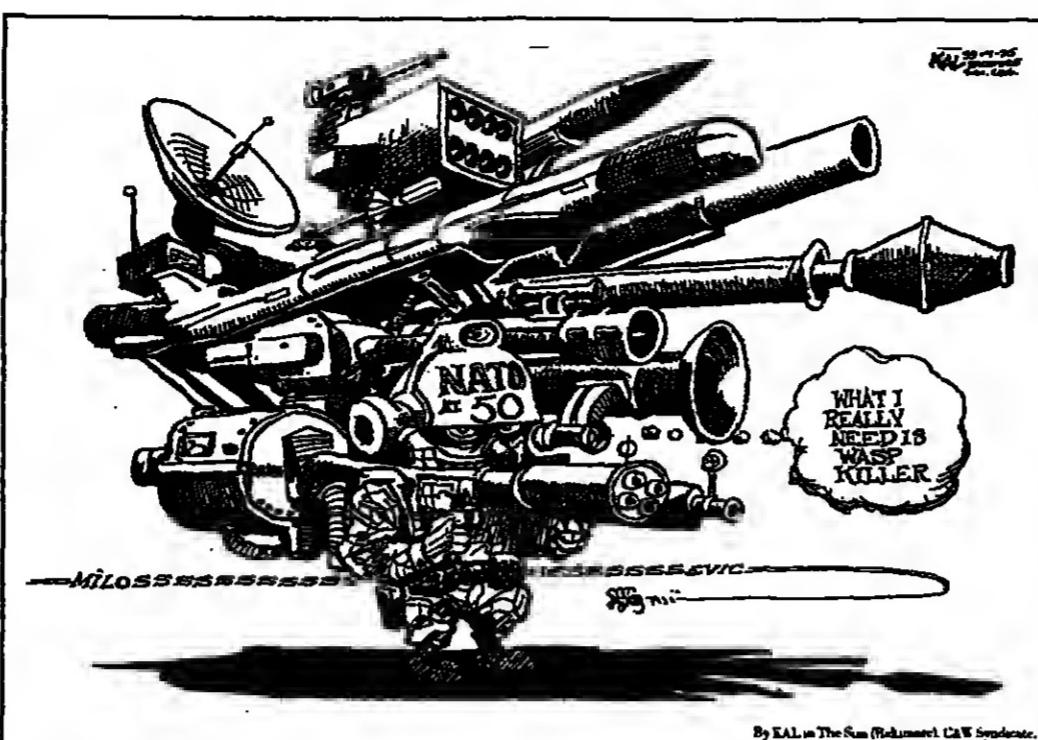
Japan's economy is now shrinking at the rate of 2 percent a year. Layoffs such as Mitsubishi's will only exacerbate this deflationary trend.

This is more than a restructuring slowdown. It risks becoming a restructuring crisis. Changes that should take place over several years could now occur too fast. Business failures could start skyrocketing.

Koichi Kato, a prominent leader in the governing Liberal Democratic Party, recently acknowledged that "there's not much the government can do" about company bankruptcies, and he pointed to rising unemployment as Japan's No. 1 problem. As serious as Kosovo is, Mr. Kato told private analysts last week, Japan sees joblessness — in Europe as well as Japan — as the greatest current threat to global security.

No consensus exists in Japan yet on what to do. But two policies need consideration. Unemployment benefits, beside the point during the high-growth decades, should be increased.

The writer is managing director of Tudor Investment Corp., a fund management company. He contributed this comment to the International Herald Tribune.



By KAL in The Sun (Reykjavik, Iceland)

LETTERS TO THE EDITOR

Heroes of Littleton

Regarding "Bravery Amid Mayhem: Heroes Stepped Forward" (April 23):

It is a comfort to know that there are people in the world such as Arroo Hancey and Dave Sanders, who helped others during the shooting in Littleton, Colorado. What a shame that there aren't any heroes like them in the U.S. Congress: people who are willing to stand up to the National Rifle Association, pass meaningful gun control legislation and put an end to America's senseless violence.

With a few heroes in Congress, people like Mr. Sanders would not have to die for their heroism.

LAURIE VON MELCHINGER
Darmstadt, Germany

Giving Elgin Credit

Regarding "The Essence of Greekness: So Far Away From Jeff Jacoby" (Meanwhile, April 15):

Mr. Jacoby's view on giving the Elgin Marbles to Greece is no doubt popular. But in making his case, he does no justice to Robert Bruce, the seventh Earl of Elgin; nor does he take into account the forces in play at that time.

Of course, one is compelled to question whether Lord Elgin had

proper authority to remove the marbles from the Pantheon. What Mr. Jacoby fails to mention is that many of the friezes and sculptures left in place by Lord Elgin were subsequently destroyed — some in the very battle of 1821 that he cites.

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The Vision of a Bride and the Interpreters of Dreams

By Suzy Menkes
International Herald Tribune

PARIS — Another royal wedding might sound like the triumph of hope over experience. Yet Queen Elizabeth's youngest son, Edward, marries the Diana look-alike Sophie Rhys-Jones next month, after a five-year courtship.

The modern-day, working, live-in couple will tie the knot on June 19 at Windsor Castle's private chapel, and although it is billed as a low-key affair, one ceremonial is certain: The bride will wear a long white gown, a veil (if not necessarily a tiara) and carry a bouquet of flowers.

In other words, she will dress like every other young woman in the Western world who stubbornly refuses to banish a tradition established when virginity and submission, rather than freedom and equality, was the message.

Women in the public eye seldom wed in streamlined pantsuits, swooshing floor-length trench coats or cuddly Aran Island sweater dresses. But all those

propositions have been put forward by fashion designers who experiment with the wedding outfit that traditionally ends each show. A white roll-neck sweater, elongated to mid-calf, with cute kids as identically clad bridesmaids, even opened last month's presentation from Ines de la Fressange.

A blissful couple in cabled knitwear sharing a white duvet as their bridal veil, was on offer from Jean Paul Gaultier. And this cozy cocooning is not even new: Yves Saint Laurent created a Russian doll outfit in bobby knit, threaded with satin ribbons, back in 1965.

But does any of this fit with how women want to look on the big day?

Even rock stars (like Spice Girl Victoria Adams, who will marry her soccer star fiance David Beckham this summer in Ireland) are unlikely to show up in padded, white-leather motocross pants under a crinoline skirt (as envisaged by Alexander McQueen for Givenchy).

"A wedding dress is one woman's dream of being center stage, as though it were theater or ballet," says Christian Lacroix, whose couture house does

dozens of made-to-order wedding dresses, often adapted from show-stopping evening gowns.

Anne Zazzo, curator of a challeging new exhibition at the Musee Galliera in Paris, also believes that the wedding dress is a costume.

"All the young girls I met wanted to be the heroine of their own dreams, a princess or a cinema star," says Zazzo. "In fact, what they were looking for was a costume — something removed from everyday life."

Wedding clothes are a familiar exhibitio subject, but "Le Mariage, une Histoire Cousue de Fil Blanc" (Wedding History Sewn in White Thread), until Aug. 29, aims to reduce the sugar content and pose some questions.

Why white? Because the color is not just a symbol of purity and sexual innocence, but also creates a link in the Christian life-cycle that goes from christening gown, through First Communion, confirmation and ultimately to the funeral shroud.

A bride placing her wedding bouquet on a family grave in an 1888 painting makes that point at the start of the show. And so does the lay-out of entwined circles, in which ghostly mannequins with shrouded faces are picked out in pools of light beneath the museum's high painted ceiling.

These circles represent both wedding rings and the cradle-to-grave circuit, Zazzo explains. She says that although wedding finery goes back for centuries, the white wedding is a relatively recent invention, a symbol of Christian and bourgeois values taking over from dynastic unions celebrated with princely pomp.

Orange blossom headdresses molded from wax flowers, crinolines with corseted bodices and a pink-cheeked Victorian wax doll with a row of frothy white undies as her trousseau sum up the idealized bridal image. In fact, a 1989 Barbie doll, dressed in flower-scattered, full-skirted gown by Nina Ricci, proves how little the Cinderella bridal visions of little girls have changed in 100 years.

The couture wedding dress is celebrated with sumptuous creations: lacy appliqués and a Juliet cap from Molyneux in the 1930s; a sculpted silhouette from Balenciaga in 1958; a short, sharp dress and white hoots from the space age 1960s, and a return to romance with timeless evening gowns, converted to bridal, from Dior's John Galliano, Lacroix and Emanuel Ungaro.

Smart brides did their own makeovers, shown by a 1952 Schiaparelli wedding dress alongside a cocktail dress cut out of its train.

Brides in movies, playing on video screens, pick up another fascinating theme: the influence of women we longed to look like — although how many brides really copied Brigitte Bardot's 1958 wedding dress in sugar-pink gingham check?

MARRIAGES are inevitably touched by fashion, and so current styles incorporate gauzy fabrics and slender cut. From Lolita Lempicka in Paris through Vera Wang in New York, there are designers who specialize in customized wedding gowns that interpret clients' dreams.

But left to their own fantasies, fashion designers often persist in making up of the bridal outfit with irreverent ideas. One funky version is Paco Rabanne's do-it-yourself plastic chain-mail wedding dress that comes in a flat pack, complete with rivets.

Zazzo is convinced that what she calls the "desirous" versions of the wedding dress seen out since the 1960s, are a direct reflection of the discounting of virginity as the elemental feature of a bride. Instead of the pure white cotton Victorian dress shown beside a missal, Claude Montana's 1979 bright red bridal outfit symbolizes the arrival at the altar of the scarlet woman.

But even if some designers view brides with a cynical air, their challenge is to create a dress that is modern, yet romantic. Yohji Yamamoto devoted his charming summer collection (on video at the exhibition) to outfits that transformed the wearer by removing full



Parcer Studio (Leonard), Parcer (Barbie) (Fornasetti); Anne Zazzo (Musee Galliera); Anne Zazzo (Musee Galliera)

Leonard's wedding gown in Japanese rice paper, above; Saint Laurent's 1965 Russian-doll knitted cocoon with satin ribbons, right; sweater dress for bride and bridesmaids from Ines de la Fressange, and wedding headdress and coiffure from 1829 engraving.

skirts or pulling accessories out of pockets.

THIS play on dressing and undressing — part of the nuptial ritual for centuries — is one innovative facet of current bridal wear. Christian Lacroix created for Ines de la Fressange's own wedding in 1990 a dress with a removable poof. That was a precursor of the transformable four-piece outfit of jacket, tunic, lace pants and ball skirt that he has now designed for Proportion. Lacroix has also introduced touches of color, especially the soft pastels of the sugared almonds that are a ritual part of a French wedding.

If you are going to wear your dress for only one day, why shouldn't it be designed as ephemeral? Leonard's bridal gown made entirely from Japanese rice paper would have been an ideal piece to include in "Pulp Fashion," the sale of fashion artifacts created with or printed on paper at Sotheby's in New York on May 3.

But who could imagine that Leonard's papery gown, with its butterfly wing layers, would be thrown out with the garbage? Never! It is destined to be laid ritually in its box, along with satin pumps and flower petals, ready for a museum exhibit 100 years on.

From "Mariage," Editions Assouline

Victorian wax doll and Nina Ricci's 1989 look for Barbie, from Musee Galliera exhibition.



Parcer Studio (Leonard), Parcer (Barbie) (Fornasetti); Anne Zazzo (Musee Galliera); Anne Zazzo (Musee Galliera)

Saint Laurent's 1965 Russian-doll knitted cocoon with satin ribbons, right; sweater dress for bride and bridesmaids from Ines de la Fressange, and wedding headdress and coiffure from 1829 engraving.

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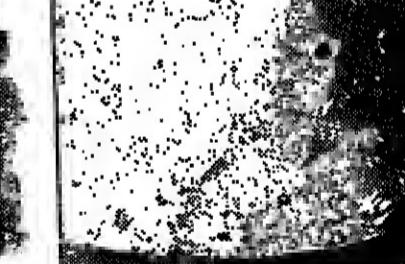
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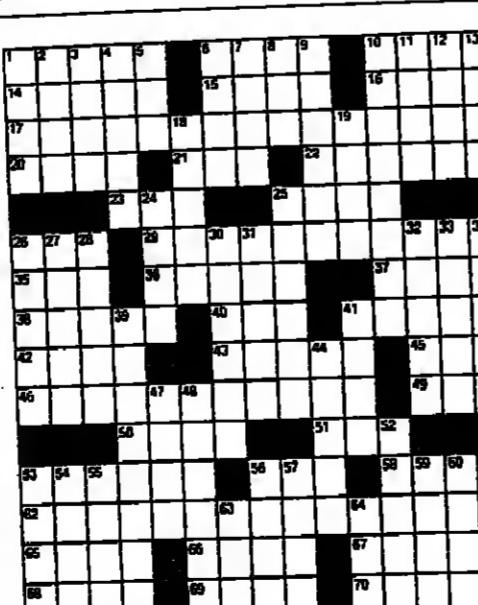
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Wedding headdress and coiffure from 1829 engraving.

CROSSWORD



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The High-Octane Liz Tilberis

By Suzy Menkes
International Herald Tribune

PARIS — "Funny Face" has printed indefinitely on popular imagination what a fashion editor should be — an impeccably dressed drama queen, prone to grand gestures and to pronouncements like "Think Pink."

The 1956 movie, starring Audrey Hepburn and Fred Astaire on a fashion shoot in Gay Paree, modeled its editor on the legendary Diana Vreeland, another template for the editor-as-diva.

It is hard to imagine Liz Tilberis exhorting her readers to "Think Pink." The editor of Harper's Bazaar, who lost her battle with cancer last week, had too much humor and too highly developed a sense of English irony to style herself as a fashion grande dame.

With her open face, friendly smile and eager team spirit, she resembled more head teacher of an all-girls-together school. It was not until the cancer reduced her sturdy frame ("At last I look good in Chanel!" she said cheerily) that she resembled a pin-thin model to be snapped by her favorite photographer, Patrick Demarchelier.

But like her good friend Diana, Princess of Wales, who became the magazine's most famous cover girl, there was more to Liz than met the eye. Obituaries have stressed the steel in her character that enabled her to fight her

Her fashion life was mapped out at British Vogue, where the lyrical pictures she styled suggest a romantic vision that was quintessentially English.

That put into context her dream of making Harper's "the most beautiful fashion magazine in the world."

The jolly manner in which she cajoled and firmly ruled her team was undoubtedly absorbed from working with Beatrix Miller, long-serving editor at British Vogue through the 1960s and 1970s, who patiently brought out the best in all her "girls" — mostly upper-class women whose parents treated the magazine like a finishing school.

Cancer brought out the best in Liz. She was a fast learner, and a good teacher, and the way she turned her illness into a mission to educate and inform other women is her finest legacy. She spoke publicly about her health and wrote a best-selling, straight-talking book that also celebrated the star-studded life that she had made for herself in New York. In the magazine, she produced a similar mix of high-octane glamour with down-to-earth advice and information.

I will miss the witty asides she would make when we were neighbors at fashion shows.

"Are we ready for guru chic?" she inquired after scanning spiritual psychobabble in the program at a Donna Karan show. We weren't ready for her discreet exit.



Patrick Demarchelier/The Associated Press
Liz Tilberis, editor in chief of Harper's Bazaar.

illness while taking on the editorship of Hearst's flagship magazine in New York and making it a picador to the mighty Vogue. They have underplayed the importance to her of family life with her husband, Andrew, of 28 years and with their adopted sons, Robert and Christopher.

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BUSINESS/FINANCE

TUESDAY, APRIL 27, 1999

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Revived Apple Hails the PC

Firm's Hardware Chief Puts Little Faith in Gadgets

By John Markoff
New-York Times Service

CUPERTINO, California — Ask Jon Rubinstein, the man in charge of hardware at Apple Computer Inc., about the supposedly imminent "post-PC era," and he answers like someone who works for Microsoft Corp. or Intel Corp., the twin pillars of the personal-computer industry.

Though it has become fashionable to say that the PC era is waning and the future of computing lies in a burgeoning assortment of wired and wireless hand-held consumer-electronics gizmos, Mr. Rubinstein is still a true believer in powerful, full-featured personal computers.

"Yes, there will be appliances out there," he said, "but if you look at the PC, it's still in its infancy. I keep hearing that the PC is dead but when I look at the next couple of years, that's not what I see at all."

Apple Computer, which itself was all but given up for dead a few years ago, has had a remarkable resurrection. Two weeks ago, the company exceeded analysts' estimates in reporting its sixth consecutive profitable quarter.

For the past two quarters, it has held more than 12 percent of the retail and mail-order personal computer market. And the company is once again one of the top five makers of personal computers in the United States.

Moreover, while manufacturers on the Microsoft-Intel side of the PC industry are being pinched by prices that are spiraling below \$500 with no end in sight, Apple, the "Think Different" company, is busily selling a line of desktop computers whose prices begin at \$1,500, helping raise Apple's profit margin more than a point from last year, to 26.2 percent.

"Apple understands simplicity, branding and

style," said Charles Wolf, a Wall Street analyst at Warburg Dillon Read. "It's amazing that nobody on the PC side gets it."

To the outside world, Apple's charismatic co-founder, Steve Jobs, gets much of the public credit for what is certainly one of the most remarkable comebacks in U.S. corporate history.

But the secret to Mr. Jobs's successful return to Apple is the small manufacturing and design team and the highly disciplined engineering process that Mr. Rubinstein has quietly put in place during the past two years.

"The Apple you and I knew two years ago is dead," said Andrew Gore, editor in chief of Macworld, the trade magazine that tracks Apple more closely than any other publication. "It's a completely different company."

Perhaps it was all part of a secret plan by Mr. Jobs to recapture Apple, Gilbert Amelio, who was briefly chairman, wondered in print, after he had been ousted by a board that brought Mr. Jobs back to run the company temporarily — an arrangement that has continued for 20 months and counting.

"That would be news to me," Mr. Rubinstein said of the conspiracy theory.

From a highly disorganized company, where as many as four independent engineering teams might work simultaneously to design the same computer, Apple is now working on a dozen projects using cooperating, interdisciplinary



Jon Rubinstein, second from right, with members of the iMac design and production team he oversaw, is certain there is a strong future for full-featured personal computers.

teams — using what Mr. Rubinstein refers to as a "fast-track design." The approach puts many parts of the design process parallel, speeding the time to market.

"I look at this as having a bag of technology tricks, and at the appropriate time I bring them out and put them in our products," he said. "And we have more in our bag of tricks."

If Mr. Rubinstein's team is more efficient than

Apple's earlier hardware groups, it is also a remarkably more insular and frequently secret-

ive organization — perhaps the clearest break from the former Apple Computer, which was so porous that it was known in some circles as "a ship that leaks from the top."

There are those outside Apple who are skeptical about the company's resurgence. They note that with the exception of the iMac, which has found a market in both first-time computer users and former owners of Microsoft-Intel PCs, Apple is still selling to a core group of customers devoted to the Apple Macintosh legacy.

The New York Times

Bankers See Easing of Crisis, but New Risks, for Emerging Markets

By Paul Blustein
Washington Post Service

WASHINGTON — The global financial crisis is easing, but investors and lenders are unlikely to put more money into emerging markets this year than they did in 1998, according to a leading organization of international banks and investment firms.

The Institute of International Finance, which represents major private financial institutions investing in emerging markets, also warns that investors will become even more skittish

about putting money into emerging markets if the global financial system is changed so that it becomes easier for countries in crisis to pay less than they owe on their bonds.

Such changes in the system are being considered during the spring meetings of the International Monetary Fund and the World Bank this week in Washington.

The investment forecast by the Washington-based institute comes amid powerful rallies in the stock markets and currencies of several crisis-stricken countries, notably South Korea and Brazil.

"It appears that market sentiment has improved," said John Bond, the chairman of the institute and chairman of HSBC Holdings PLC. Nevertheless, he added, "confidence remains fragile" and "private capital flows to emerging markets are modest."

In its semiannual forecast of the amount of bank loans, stock purchases and other forms of international investments, the institute predicted that a net \$141 billion would flow to emerging markets this year, down slightly from \$143 billion last year, but off sharply from the record \$328 billion in 1996.

The institute predicted that net flows into emerging-market stocks would recover to \$21 billion from \$2.4 billion last year. Net flows into emerging-market bond funds will decline to \$28 billion from \$49 billion, however, and banks will withdraw a net \$29 billion, even more than the \$11.8 billion they withdrew last year, the group said. Direct investment flows — money invested in factories and machinery — will drop to a net \$103 billion, from \$120 billion, it added.

Bankers and other private-sector representatives at a press conference organized by the institute voiced concern that emerging markets could suffer even more from lack of private capital if the IMF and other policy-setting bodies became more tolerant of countries failing to pay what they owe on their bonds.

Their remarks were aimed at proposals by Robert Rubin, the U.S. Treasury Secretary, and other policymakers in the Group of Seven major industrial countries, who are looking for ways to avoid bailing out international bondholders when crises arise and to force them to bear the consequences of reckless investing decisions.

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for the Paris Air Show in June.
Airbus said Air France had ordered 15 A318s and placed options on a further 10 and that EgyptAir had ordered three A318s. Those deals, combined with orders late last year for 80 aircraft from Trans World Airlines Inc. and International Lease Finance Corp., provided sufficient commitments for Airbus to give the go-ahead to production.

Airbus is making a late entry into the regional market. The first A318s will not be delivered until late 2002. Boeing's 717 made its first test flight in February, and deliveries are due to start this year.

But Airbus hopes to win orders on the strength of the cockpit shared by the A318 and its popular A320 family of aircraft, which seat between 123 and 184 passengers. Northwest Airlines Corp. and Air Canada both operate A320s and are seeking 100-seat replacements for their aging fleet of DC-9 jets.

For its part, Boeing has won only 115 orders for its 717 from two U.S. airlines, TWA and AirTran Airways, and two small leasing companies. The 717 is the only civilian program of the former McDonnell Douglas Corp.

that Boeing has retained since it acquired McDonnell in 1997. With Boeing struggling to restore profitability in its civilian aircraft business, many analysts say that the company might cancel the 717 unless it starts winning more orders soon.

"If Boeing fails to convert interest into firm orders at the Paris Air Show, then the impetus of the program is going to be severely dented," said Chris Avery, an aerospace analyst at Paribas. Still, both Airbus and Boeing are optimistic about the potential market. Airbus estimates the global market for 100-seat jets at 1,300 over the next 20 years, while Boeing estimates that airlines will order about 2,500 jets of comparable size during that period.

by The Associated Press
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CURRENCY RATES

April 26 Other Dollar Values April 26

	S	E	SF	Yen	CS	Dono	Greece	Sweden	Peru	Peru	Peru	Peru	Peru	Peru
London (0)	1.6129	2.0384	191.86	2.3882	11.3072	492.22	13.5335		235.46	1,629.2	1,629.2	1,629.2	1,629.2	1,629.2
New York (0)	1.6126	2.0385	119.27	1.476	7,0067	308.36	8.575		847.46	1,629.2	1,629.2	1,629.2	1,629.2	1,629.2
Tokyo	119.15	192.44	78.80	88.74	16.9	11.40	14.35		404.73	1,629.2	1,629.2	1,629.2	1,629.2	1,629.2
Toronto	1.4759	2.3789	0.9746	1.2374	—	0.2102	0.4788	0.1757	30.57	1,629.2	1,629.2	1,629.2	1,629.2	1,629.2
Zurich	1.5134	2.439	—	1.2705	1.0233	21.55	0.4914	0.1801	30.57	1,629.2	1,629.2	1,629.2	1,629.2	1,629.2
One euro	1.0614	1.6566	1.4027	1.2462	7.4325	226.40	8.5945		9.7249	1,629.2	1,629.2	1,629.2	1,629.2	1,629.2
One SDR	1.3533	0.8377	2.029	181.513	1.998	9.4771	415.10	11.2097		1,629.2	1,629.2	1,629.2	1,629.2	1,629.2

Interest rates excluding compensation.
a. To buy one pound; b. 100 francs.
c. Not available.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de

France (Paris); and CIBC (Montreal). Other data from Reuters.

Euro Values

	French francs	Italian lire	Swiss francs	UK pounds	West German marks
Australia	13.7403	11.600	1.0500	1.0500	1.0500
Belgium/Luxembourg	1.58573	1.6000	0.7000	0.7000	0.7000
Canada	4.59527	2.2007	1.0000	1.0000	1.0000
Denmark	1.58523	1.6000	0.7000	0.7000	0.7000
Germany	1.58523	1.6000	0.7000	0.7000	0.7000

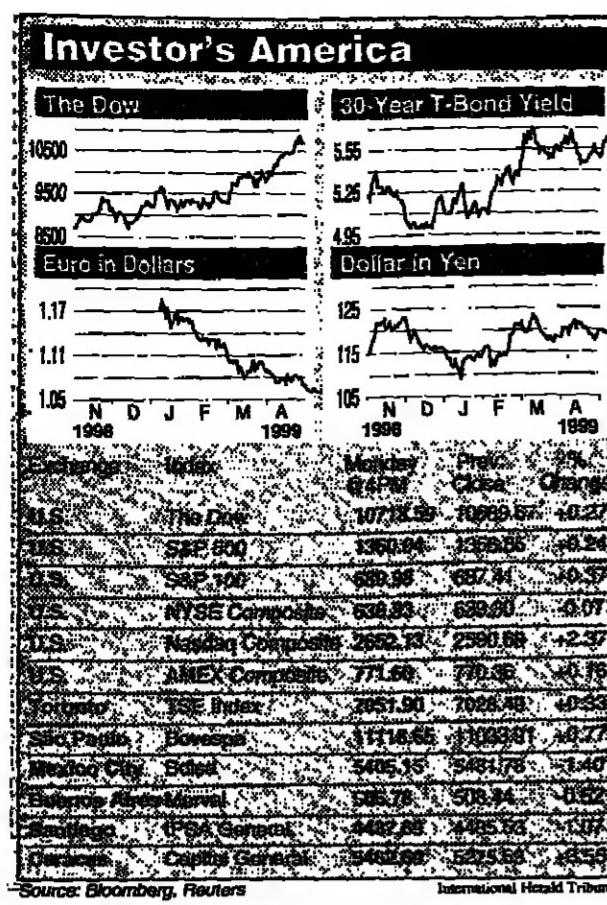
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THE AMERICAS



Can AT&T Digest All It's Eating?

It Faces Management, Regulatory and Technology Issues

By Seth Schiesel
New York Times Service

NEW YORK — Just when you thought Michael Armstrong, AT&T Corp.'s chairman of 18 months, could not possibly bite off another big deal, he does just that.

Last week's casualty may have been Comcast Corp., the big cable television operator. Just when it looked as if AT&T had settled down to manage its own \$31.8 billion acquisition of Telecommunications Inc., the second-biggest U.S. cable carrier, Mr. Armstrong swam into the middle of Comcast's pending \$53 billion purchase of MediaOne Group Inc. and roiled the waters with an unsolicited bid of \$38 billion for MediaOne.

MediaOne executives have not yet publicly responded but many analysts say that AT&T, with its superior financial power, will scare off Comcast and win MediaOne — if regulators allow it. That would make AT&T the No. 1 cable television company in the United States, in addition to the nation's No. 1 long-distance telephone carrier.

AT&T may have a tough time digesting everything it has tried to swallow. The main question for AT&T now is whether its appetite has exceeded its ability to integrate its businesses into the lean yet powerful communications machine that Mr. Armstrong wants AT&T to become.

As Mr. Armstrong propels

AT&T headlong into the future he has envisioned, the company faces mounting challenges — not only of management and strategy, but also of regulation and technology.

It is clear by now that AT&T is terrified of the prospect of at least one of the local Bell phone companies, probably Bell Atlantic Corp., being poised to win regulatory approval to enter AT&T's core long-distance business this year.

By way of a harbinger, AT&T is well aware of what happened in Connecticut after the Southern New England Telecommunications Corp., which did not need special approval, began offering long-distance service to Southern New England's local phone customers. Large numbers of Connecticut customers dropped long-distance service from AT&T, among others, to take a single package of local and long distance from SNET.

AT&T's strategic planners hate to contemplate the millions of local phone customers who might drop AT&T's phone service once Bell Atlantic is freed to offer long-distance service to customers along the Eastern Seaboard, or even just in New York. It is a much bigger worry for AT&T than for its principal long-distance rivals, MCI Worldcom Inc. and Sprint Corp., because AT&T derives a much higher proportion of its long-distance revenue from residential con-

sumers than MCI and Sprint do. Mr. Armstrong has decided that the solution is to counter-attack the Bells by taking the war to a new front — off the conventional local telephone network and onto cable TV systems. Through those cable lines, AT&T intends to offer local and long-distance calling, as well as Internet service.

It will probably take a few years to determine whether that strategy is visionary or foolhardy. AT&T would like to offer its cable-based services using a variant of Internet technology.

Because this is a largely experimental approach, it poses large technical challenges. It may, however, prove easier in MediaOne territories than in TCI areas, because MediaOne's network is generally more technically advanced.

The cable strategy also raises management questions. AT&T is well practiced in telephone-network technology, but linking so much of its future to cable television networks means the company needs to rely on experts from outside the AT&T tradition.

■ EU to Give Green Light

The European Union's top antitrust regulator said Monday that he expected to be able to clear the proposed acquisition of MediaOne Group by AT&T despite concerns about its impact on the British market, The Associated Press reported from Brussels.

Nasdaq Hits a Record On Rally in Tech Sector

Compiled by Our Staff From Dispatches

NEW YORK — Strength in technology stocks took the Nasdaq composite index to a record Monday, extending a strong rebound from the previous week's 5.6 percent plunge. But blue-chip stocks nudged higher.

The technology rally took its strength mostly from industry reports that first-quarter shipment of personal computers rose more than expected.

International Data Corp. said worldwide shipments of personal computers rose 19 percent in the first

quarter, though that may have not yet hit their stride in earnings but that are expected to show good results in the future.

Shares in International Business Machines were still getting a boost from last week's profit report; its stock was up 10 1/8 at 209%.

Merck was down 1% at 74 after analysts expressed concern about the drugmaker's expiring patents. On Friday, Merck reported first-quarter earnings that were in line with expectations, but mostly because of a restructuring of its joint venture with Astra AB.

Microsoft, the biggest maker of software for PCs, gained 2 to 88, and Dell rose 1 1/16 to 44 13/16.

Ebay rose 8 3/4 to 209. America Online rose 13 1/4 to 160 1/4, leading the S&P's advances. On Wednesday, AOL, the world's largest on-line service, is expected to report a profit for its third quarter, reversing a loss in the year-earlier quarter.

Priceline.com rose 32 3/4 to 120 1/4.

The company, whose Internet site allows users to bid for airline tickets, hotel rooms and other services, said it served more than a million consumers in its first year.

The price of the 30-year Treasury bond rose 9/32 point to 95 11/32, taking the yield down to 5.57 percent from 5.59 percent. (AP, Bloomberg)

U.S. STOCKS

million. Dataquest, another market-research firm, said shipments rose 17 percent, to 25 million.

"There were a lot of people who thought that PC sales were doing very poorly," said Marc Kline of John Hancock Global Technology Fund in Garden City, New York. "When the numbers actually came out, it and behold, it was a pretty decent quarter."

The Nasdaq closed 61.35 points higher, or 2.4 percent, to 2,652.04, taking out its previous record of 2,598.81 set April 12.

The Dow Jones industrial average ended 28.92 points higher at 10,718.59, and the Standard & Poor's 500 index was up 3.19 points at 1,360.04.

Continuing a shift that started late last week, investors were showing less interest in shares of economically sen-

Very briefly:

• Southwest Gas Corp. agreed to be acquired by Oneok Inc. in a cash deal valued at \$1.8 billion, or \$30 a share, including assumed debt. Southwest Gas shares rose 56.25 cents to close at \$28.1875.

• Brazil's economic decline this year will be less severe than the International Monetary Fund predicted, the country's central bank chief said. Arminio Fraga said Brazil's economy would contract 2 percent this year, compared with a 3.8 percent contraction predicted by the IMF.

• Bankers Trust Corp., which is being acquired by Deutsche Bank AG of Germany this quarter, posted first-quarter profit of \$140 million, down 37 percent from a year earlier, as profit from investment banking fell.

• Union Carbide Corp.'s first-quarter net income fell 64 percent to \$51 million, as declining prices and rising raw-materials costs led to losses in its basic-chemicals unit. Sales slipped to \$1.40 billion from \$1.56 billion a year earlier.

• Read-Rite Corp. plans to cut 2,500 workers, or 14 percent of its global work force, as the No. 1 maker of recording heads used in computer disk drives grapples with falling prices and sales. (AP, Bloomberg, AP, Reuters)

Weekend Box Office

The Associated Press

LOS ANGELES — "The Matrix" dominated the U.S. box office over the weekend, with a gross of \$12.9 million. Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

	1. The Matrix	2. Life	3. Star Wars: Episode I - The Phantom Menace	4. Toy Story	5. Analyze This	6. Last & Found	7. 10 Things I Hate About You	8. The Out-of-Towners	9. Go	10. Forces of Nature
Women Bros.	\$12.9 million	\$11.6 million	\$10.4 million	\$8.4 million	\$3.4 million	\$2.7 million	\$2.3 million	\$2.2 million	\$2.1 million	\$1.7 million
Univ.	1,120	1,080	1,040	980	780	750	720	700	680	650
Twentieth Century Fox	1,120	1,080	1,040	980	780	750	720	700	680	650
Paramount	1,120	1,080	1,040	980	780	750	720	700	680	650
Warner Bros.	1,120	1,080	1,040	980	780	750	720	700	680	650
Touchstone Pictures	1,120	1,080	1,040	980	780	750	720	700	680	650
Paramount	1,120	1,080	1,040	980	780	750	720	700	680	650
Columbia Pictures	1,120	1,080	1,040	980	780	750	720	700	680	650
DreamWorks	1,120	1,080	1,040	980	780	750	720	700	680	650
Fox	1,120	1,080	1,040	980	780	750	720	700	680	650

1. The Matrix 2. Life 3. Star Wars: Episode I - The Phantom Menace 4. Toy Story 5. Analyze This 6. Last & Found 7. 10 Things I Hate About You 8. The Out-of-Towners 9. Go 10. Forces of Nature

Source: The Hollywood Reporter

Estimated Sunday sales: \$12.9 million

Estimated total sales: \$25.8 million

Estimated total domestic box office: \$12.9 million

Estimated foreign box office: \$12.9 million

Estimated total worldwide box office: \$25.8 million

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EUROPE

GEC Snatches Up Another U.S. Telecom Firm

Bloomberg News

LONDON — General Electric Co. of Britain agreed Monday to pay \$4.5 billion in cash for Fore Systems Inc. of the United States to gain a stronger presence in the Internet equipment sector.

GEC will pay \$35 per share, a 43 percent premium to Fore's closing share price Friday.

GEC, which agreed in January to sell its defense-electronics business to British Aerospace PLC, is remaking itself as a communications equipment manufacturer.

Last month it agreed to buy U.S.-based Reltec Corp. for \$2.1 billion in cash and assumed debt, to gain a North American presence.

"They have decided to try and become a telecom manufacturing giant," said Howard Wheeldon of Matheson Investment Management.

GEC shares rose 31 pence, or 5 percent, to 608 (\$9.83). Fore shares rose \$9.25 to \$33.75 in late trading on the Nasdaq exchange.

Fore Systems, which is based in Pittsburgh,

makes switching equipment used by phone companies and Internet service providers. It will continue to operate under the name Fore Systems and will cooperate with GEC's Marconi Communications unit.

The acquisition comes as other European telecommunications equipment companies, such as Ericsson AB, Alcatel SA and Nokia Oy, all hem for U.S. internet equipment companies to gain a stronger position in the rapidly growing market.

"We will now be in a position to capture the full benefit of the impact of the explosive growth of Internet and other data traffic on the demand for communications equipment and systems," the GEC chief executive, George Simpson, said in a statement.

GEC said it expects the purchase to have little effect on earnings per share for the year ending March 31, 2000, when write-downs of intangible assets are excluded. In the following years the purchase is expected to improve earnings.

GEC will pay for the purchase out of existing

cash resources. The transaction is expected to be completed in June.

Fore reported sales of \$632 million for the year to March 31 and had net assets of \$380 million.

Tom Gill will continue as chief executive and president of Fore Systems.

C&W Jettisons Marine Division

Cable & Wireless PLC dug up its roots Monday to focus more firmly on the booming world of Internet and data communications, selling its undersea cabling arm for £550 million, Reuters reported from London.

C&W, which laid the first telegraph cable linking Britain with Hong Kong 126 years ago, said it was selling its Global Marine division, which owns and operates the world's largest fleet of cableships and subsea vehicles, to the Bermuda-based Global Crossing Ltd.

C&W said the sale was in line with its increasing focus on the operation of communications networks.

Prices Rising In Germany And France

Copied by Our Staff From Dispatches

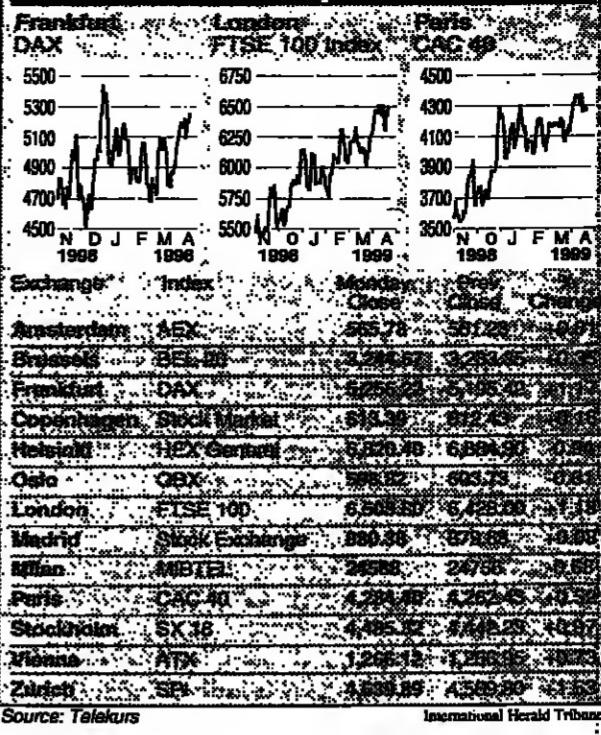
PARIS — German and French inflation is rising from record lows, according to figures released Monday, as the weak euro increases prices of imported goods and threatens to push inflation toward the European Central Bank's ceiling level.

"By the end of the year, inflation could be rubbing up against the ECB's limit," said Ciaran O'Hagan, a bond analyst at Cie. Europeenne de CIC in Paris, referring to the central bank's aim of preventing annual inflation in the 11-country euro zone from rising above 2 percent.

German consumer prices rose at an annual rate of 0.6 percent in the six months to April, reversing a 0.4 percent decline in the six months to March, the Bundesbank reported Monday. French consumer prices rose at an annual rate of 0.4 percent in March, up from 0.2 percent in February, the French government said.

The reports from Europe's two biggest economies, combined with another that showed German factory prices rising last month for the first time in a year, suggest that the central bank has no more room to reduce interest rates, many economists said. Annual inflation in the euro zone rose to 1.0 percent in March, up from 0.8 percent in February, a report issued Friday showed.

Meanwhile, the German newsmagazine Focus said the government expected Germany's unemployment rate to fall to 10.6 percent this year from 11.1 percent in 1998. (Bloomberg, AFP)

Investor's Europe

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AGF to Bid for a 5% to 8% Stake in Credit Lyonnais

Bloomberg News

PARIS — Assurances Generales de France SA, a French insurer controlled by Allianz AG of Germany, said Monday it would bid for 5 percent to 8 percent of Credit Lyonnais SA, the bank that France spent \$25 billion to save.

The stake will include the 1.66 percent stake that AGF, France's No. 3 insurer, already owns in Credit Lyonnais, AGF said, confirming a report by Agence France-Presse.

France has asked for bids for as much as 10 percent of Credit Lyonnais from financial-services companies by Wednesday. These so-called strategic shareholders are to own a total of as much as one-

third of the marginally profitable bank, providing it with business partnerships and some protection against takeovers. The rest of the bank is to be sold in a public stock offering by July.

U.S. Buyer Is Reported for PowerGen Plants

The Associated Press

LONDON — The electricity-generating company PowerGen PLC, based in Coventry, is expected to announce soon the sale of two power plants to Edison Mission Energy, based in Irvine, California. Mrs. Kaposi, who refused to confirm the identity of the buyer, said the plants were being sold to satisfy regulators.

Credit Agricole SA, France's biggest bank in terms of assets, was the first to say it would join the bidding. It is expected to buy a 10 percent stake in Credit Lyonnais for as much as 5 billion francs (\$809 million).

The European Commission demanded that France sell 90 percent of Credit Lyonnais by October in exchange for approving its bailout, an operation whose cost the European Union estimated at \$25 billion.

The sale of the bank, once one of Europe's biggest, caps years of state aid and asset sales after its relaxed lending policies in the 1980s and early 1990s saddled Credit Lyonnais with a mountain of bad debts.

Other banks are likely to bid for stakes. Each will be allowed to bid between 1 percent and 10 percent of the bank's capital. Together they must own less than 33.3 percent and guarantee to keep their shares for an as yet unspecified length of time.

WORLD STOCK MARKETS

Monday, April 26

Prices in local currencies; in euros for EU countries; in dollars for others.

High Low Close Prev.

Amsterdam AEX index: 545.76 Previous: 543.23

High	Low	Close	Prev.
545.76	543.23	543.23	543.23

High	Low	Close	Prev.
545.76	543.23	543.23	543.23

High	Low	Close	Prev.
545.76	543.23	543.23	543.23

High	Low	Close	Prev.
545.76	543.23	543.23	543.23

High	Low	Close	Prev.
545.76	543.23	543.23	543.23

High	Low	Close	Prev.
545.76	543.23	543.23	543.23

High	Low	Close	Prev.
545.76	543.23	543.23	543.23

Berlin Borse: 402.95 Previous: 401.22

High Low Close Prev.

402.95 401.22 401.22 401.22

402.95 401.22 401.22 401.22

402.95 401.22 401.22 401.22

402.95 401.22 401.22 401.22

402.95 401.22 401.22 401.22

402.95 401.22 401.22 401.22

Brussels BEL 20 index: 2244.47 Previous: 2232.85

High Low Close Prev.

2244.47 2232.85 2232.85 2232.85

2244.47 2232.85 2232.85 2232.85

2244.47 2232.85 2232.85 2232.85

2244.47 2232.85 2232.85 2232.85

2244.47 2232.85 2232.85 2232.85

2244.47 2232.85 2232.85 2232.85

Buenos Aires BME: 10,000 Previous: 9,990

High Low Close Prev.

10,000 9,990 9,990 9,990

10,000 9,990 9,990 9,990

10,000 9,990 9,990 9,990

10,000 9,990 9,990 9,990

10,000 9,990 9,990 9,990

10,000 9,990 9,990 9,990

Copenhagen Borsen: 121.20 Previous: 120.90

High Low Close Prev.

121.20 120.90 120.90 120.90

121.20 120.90 120.90 120.90

121.20 120.90 120.90 120.90

121.20 120.90 120.90 120.90

121.20 120.90 120.90 120.90

121.20 120.90 120.90 120.90

Edmonton ETSX: 1,000 Previous: 990

High Low Close Prev.

1,000 990 990 990

1,000 990 990 990

1,000 990 990 990

1,000 990 990 990

1,000 990 990 990

1,000 990 990 990

Edmonton ETSX: 1,000 Previous: 990

High Low Close Prev.

1,000 990 990 990

1,000 990 990 990

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1,000 990 990 990

Frankfurt DAX: 5,754.92 Previous: 5,754.92

High Low Close Prev.

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5,754.92 5,754.92 5,754.92 5,754.92

5,754.92 5,754.92 5,754.92 5,754.92

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5,754.92 5,754.92 5,754.92 5,754.92

5,754.92 5,754.92 5,754.92 5,754.92

Glasgow Composite: 5,220.09 Previous: 5,219.00

High Low Close Prev.

5,220.09 5,219.00 5,219.00 5,219.00

5,220.09 5,219.00 5,219.00 5,219.00

5,220.09 5,219.00 5,219.00 5,219.00

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5,220.09 5,219.00 5,219.00 5,219.00

5,220.09 5,219.00 5,219.00 5,219.00

Helsinki Helsingin Sanomat: 1,000 Previous: 994.00

High Low Close Prev.

1,000 994.00 994.00 994.00

1,000 994.00 994.

Monday's 4 P.M. Close

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Continued on Page 13

Q & A / Thomas Reilly of Putnam Investments

Betting on Cyclical Stocks Rather Than High Technology

Thomas Reilly, chief investment officer of global value equities at Putnam Investments, does not hate technology. He just likes cyclical stocks better. He explained why in an interview with Kenneth N. Gilpin of *The New York Times*.

Q. How big is the universe of cyclical stocks?

A. Cyclical industries make up about 40 percent of the Standard & Poor's 500 index.

They include consumer stocks like autos and household appliances, commodity companies, machinery companies, oil companies of all stripes, and transportation stocks. And we think the cyclical stocks we own will have earnings growth significantly more rapid than the average company.

One of the really interesting things at this time is that you can be pretty well invested and be a value investor.

That's because the market is so broadly cheap. At the moment, the S&P 500 is trading at about 35 times earnings. But if all the stocks in the index were unweighted, the ratio would be 16 times. That is a cheap market. But you have to look beyond the top 20 or 30 names.

Q. With dividend yields as low as they are these days, aren't most stock investors looking to buy stocks that will grow?

A. No matter what company you are looking at, it's always a matter of earnings growth. It's just a question of what price you are willing to pay for growth and what your time horizon is.

If a stock is expensive and doesn't meet earnings expectations, it is going to go down a lot. Gillette and Coca-Cola went way down last summer but then bounced back up a lot.

That happened because there was a lack of clear alternatives. At this point, that may not be the case.

A company like International Paper may not have as many problems as it did, and its earnings might grow faster than Coke's.

Q. In the final analysis, what will it take to move money out of technology stocks?

A. Sustained earnings growth from a broader array of stocks will change the rotation. So will any question of faltering growth from the market leaders. But at the moment, there is no sign that investors are buying into this argument.

The time horizon for many investors got very short last year, and it remains that way.

They are thinking they can't look out two or three years but need to focus on stocks that are performing right now. So they have looked at stocks that had great earnings momentum.

Companies like International Paper or Weyerhaeuser or Dow Chemical can't come up with earnings growth of the sort we have been seeing from these technology companies on a sustained basis, but they can do it for a couple of years because their earnings are so depressed. And how much will the market pay for that spur? A lot more than currently, I think.

Q. So where are you putting your money?

A. Well, we have taken a lot of money out of technology.

Last summer, companies like Intel and Texas Instruments qualified as value stocks. They don't anymore. We still own some IBM, but we have pared back our position some. We have spread that money into commodity cyclical stocks, machinery stocks, transportation stocks and auto stocks.

Q. Could you be more specific?

A. We are overweighted versus the market in stocks like Dow Chemical and Weyerhaeuser.

Those are big bets, as are General Motors and Ford. We are overweighted in all areas of the energy sector, including oil-service stocks like Halliburton and Schlumberger. We love BP-Amoco and like Mobil as a play into its merger with Exxon.

Q. What about bank stocks?

A. Bank stocks have been through a period of underperformance. We still like them and are still way overweight in the financial-service sector. But we have spread our exposure there around to insurance companies like Chubb and brokerage stocks like Lehman Brothers, which is trading at an outrageously low price-earnings multiple.

Of the banks, we like Chase Manhattan, Bank One and PNC Bank.

Y2K Fears Spur Sales Of Gold Coins

By Jonathan Fuerbringer
New York Times Service

NEW YORK — At Blanchard & Co., a gold-coin dealer in New Orleans, the phones begin to ring in earnest when the price of gold drops to around \$280 an ounce. Investors, said Christopher Holton, vice president of marketing, "are bargaining."

If that is the case, it is a switch for American investors, who have too often been attracted to the glitter of gold when the price was rising, only to be disappointed when a rally was followed by another slump, as it regularly has been for a couple of decades.

But bargain-hunting is not the only reason for the sport in buying of the American Eagle gold bullion coins this year, Mr. Holton said. Fear of a computer meltdown at the end of the year has given sales a big boost, especially those of the one-ounce (45 grams) Eagle coin, which has been singled out by many gurus among year 2000 survivalists.

According to the U.S. Mint, 127,500 ounces of these coins have been sold so far this year, compared with 15,000 ounces in the corresponding period of 1998.

Mr. Holton says other investors are buying because they want some "insurance" against a stock-market reversal. He gives credit to the marketing program of the Mint, which announced last week that total sales of American Eagles, first struck in 1986, had exceeded 10 million ounces.

But buyers should remember that all of this has not done much for gold prices. In 1998, the average price of an ounce of gold fell 11 percent, to \$294.09, the lowest average annual level since 1978. In London, where the spot gold price Monday was down to \$281.50, the average this year has been \$285.95 an ounce.

Very briefly:

• China is singling out Taiwan investors, particularly oil importers and shoe and automotive parts makers, in its latest crackdown on tax evaders. The China Times said some Taiwanese businesses had been forced to close because they could not pay the massive tax bills, but a Chinese tax authority said the closures might have been ruses to avoid paying.

• U.S. bond dealers made a pitch for their product, saying that investors were banking too heavily on the stock market to finance their retirements. What goes up also can go down, Nelson Cervello, chairman of the Bond Market Association, said at the group's annual meeting in San Francisco. The group plans to open a World Wide Web site to provide information about its one-level below investment grade.

• The Philippines began selling \$400 million in fixed- and floating-rate notes to refinance debt. ING Barings and the Philippine National Bank are arranging the sale. Moody's Investors Service Inc. rates issues from the Philippines at one level below investment grade.

• Austria saw direct investment from foreigners more than double in 1998 from the previous year, boosted by Telecom Italia SpA's purchase of a 25 percent stake in Telekom Austria AG. Foreign direct investment for the year jumped 152 percent to 73.22 billion schillings (\$5.7 billion).

• Anglo American Corp. of South Africa expects to join the Financial Times Stock Exchange 100-share index in June, when the mining company will incorporate in London as Anglo American PLC.

AP, Reuters, Bloomberg

Single-Country Closed Funds Change Course

By Michelle Leder
New York Times Service

NEW YORK — Is the closed-end fund becoming a thing of the past?

Several closed-end stock funds have changed their charters to broaden the geographic areas in which they can invest. In the past two years, a half-dozen country funds have decided to convert to open-end status or liquidate altogether, among them Scudder's Spain and Portugal, New South Africa and Emerging Mexico funds.

"There's a declining relative importance," said Michael Porter, who specializes in closed-end funds at Salomon Smith Barney, "and a real argument, particularly among the pan-European funds, that they're obsolete."

As of February, \$6.6 billion was invested in 46 single-country closed-end equity funds, once a preferred way to invest overseas.

The launch of the European single currency in January posed problems to the funds' popularity. Analysts expect that, with a unified currency, European markets will move more in tandem, dampening demand for funds that limit themselves to one nation.

In response, a number of country funds are looking further afield.

The Future Germany fund, which has renamed itself the Central European Equity fund, and the Emerging Germany fund, now the Dresdner RCM Europe fund, have asked their shareholders to allow them to invest more of their assets outside Germany. The Dresdner fund also will convert into an open-end fund in May.

The introduction of the euro is by no means the only force behind the changes. Shareholder activists, upset that closed-end funds of all kinds are trading at discounts, have been pressuring to liquidate such funds or make them open-ended.

Unlike open-end mutual funds, closed-end funds issue a fixed number of shares that trade like those of companies. As such, they may trade at a premium or a discount to the value of the assets they hold.

"The single-country funds," said Thomas Herzfeld, a closed-end fund specialist in Miami, "are under the most attack by the dissidents."

Another problem seems to be a lack of distinguishing characteristics among some funds. Mr. Porter said there was little difference, for example, in the portfolios of two closed-end funds managed by Deutsche Bank AG, the Germany Fund and the Central European Equity fund.

Also sapping demand has been the growing popularity of World Equity Benchmark Shares, or WEBS. These unit investment trusts track the Morgan Stanley Capital International index and are available for 17 countries.

The Asian market meltdowns did not help the region's closed-end funds. As investors fled, managers sought the greater flexibility offered by a regional approach.

Last March, the Templeton Vietnam Opportunity fund changed its name and expanded its charter to focus on Southeast Asia. Last month, Schroder Asian Growth changed its name to Schroder All-Asia and converted to an open-end fund, and Fidelity Advisor Asia plans to convert in June.

Still, some analysts say they are not yet ready to write off the funds, even if some of them are facing tough times.

"Like everything else in the market," said Douglas Beck, an international-fund analyst at Merrill Lynch, "this, too, is cyclical."

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Herald Tribune

INTERNATIONAL

SPORTS

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TUESDAY, APRIL 27, 1999

WORLD ROUNDUP

Slaney Losses Fight On Doping Charge

TRACK AND FIELD Mary Slaney, considered by many to be the greatest American distance runner of all time, on Monday lost her protracted doping battle with the world governing body.

In a statement from its Monaco headquarters, the International Amateur Athletic Federation said its arbitration panel had concluded that Slaney, who conquered the world over both 1,500 and 3,000 meters at the 1983 world championships, had committed a doping offense three years ago.

Slaney will lose the silver medal she won at the 1997 World Indoor championships in Paris, but all her other major achievements will stand and she is eligible to compete now. (Reuters)

Elway Says He's Retired

FOOTBALL John Elway, the Denver Broncos quarterback, wants to leave, and not even the possibility of a third straight Super Bowl victory will change his mind.

"Absolutely, I'm retired," he told the Denver Post in an interview published Monday. "One of the reasons I held off saying anything was to make sure it's what I would do."

"I seriously considered coming back, but I just couldn't make it because of my knee. I've never liked it when an athlete says he's retired and then comes back. Once I've decided, I am certain."

The team was to hold a news conference Wednesday. (AP)

EU Urges Yugoslavia Ban

The 15 European Union foreign ministers called on sporting federations Monday to ban Yugoslavia national teams from their championships, a recommendation that, if enacted, would have an impact on the European basketball finals this summer and the Euro 2000 soccer championships. (AP)

Parnevnik Breaks Record

GOLF Jesper Parnevnik had to work hard to win the Greater Greensboro Classic but still smashed the tournament record. The Swede drove wildly Sunday but eked out a 2-under-par 70 for a 23-under total of 267, beating Jim Furyk by two strokes. (AP)

Ginola Wins Award

SOCCER David Ginola, Tottenham Hotspur's French winger, was voted the English league's player of the year by his fellow players. Ginola edged Dwight Yorke, a Trinidadian striker with Manchester United, Emmanuel Petit, a French midfielder at Arsenal, was third. Uruguayan Nicolas Anelka, a striker with Arsenal, was voted young player of the year.

• Barcelona drew, 1-1, against Atletico in Madrid on Sunday night but remained nine points clear at the top of the Spanish league as the next three teams had all drawn their matches.

• Zhang Quying scored in the third minute of injury-time to give China a 2-1 victory over the United States in a women's international match in Giants Stadium on Sunday. The result snapped a 50-game U.S. home unbeaten streak. (AP)



Former Yankees Yogi Berra, left, Phil Rizzuto, center, and Whitey Ford at the DiMaggio monument.

Joltin' Joe Would Have Smiled

Yankees' Williams Strokes Winning Hit on DiMaggio Day

By Buster Olney
New York Times Service

NEW YORK — In his day, Joe DiMaggio liked to lounge at his locker, drinking coffee and smoking cigarettes. On Joe DiMaggio Day at Yankee Stadium, Bernie Williams lounged at his locker and played guitar with Paul Simon, royalty in these parts because of the lyrics he wrote about Joltin' Joe.

Obligate and direct lines bind DiMaggio to Williams, Yankees center fielders and cleanup hitters from different generations, and those ties extended all the way into the 11th inning Sunday, when a single by Williams scored Chuck Knoblauch with the decisive run in the Yankees' 4-3 victory over the Blue Jays. Jason Grimsley threw two perfect innings of relief for his first victory as a Yankee.

The victory gave the Yankees a three-game sweep of the Blue Jays, extending their winning streak to five.

There are differences between DiMaggio and Williams, of course: At the moment Knoblauch sits home ahead of the throw from the right fielder Shawna Green. Williams reacted in a manner that was mostly foreign to DiMaggio: Williams, who has been overeager at the plate and struggling to drive in runs, turned and fired his helmet to the ground, ripped apart the Velcro binding of his batting glove and stalked to the dugout, outwardly elated he had succeeded, and disgusted it had taken him so long to do so.

"I'm just happy to get a base hit and produce in the clutch," said Williams, who has just four extra-base hits and seven runs batted in over his first 68 at-bats this season.

David Cone pitched well, allowing just six base runners in 6½ innings and turning over a 3-1 lead to the bullpen in the seventh, but the Yankees' lack of left-handed relief hurt them in the eighth and ninth innings.

The Yankees' relief pitchers gave up a run in the eighth inning and another in the ninth to allow Toronto to tie the score, 3-3.

Knoblauch was first to bat for the Yankees in the 11th, and he turned away from an inside fastball from Toronto's Robert Person and then began moving toward first base, pointing at his left hip, claiming he had been hit by the pitch; Mike Reilly, the plate umpire, agreed. The Blue Jays argued angrily and futilely; later, Knoblauch showed off a

small mark on his hip to reporters, swearing he had not pinched himself.

Derek Jeter struck out, but O'Neill walked, advancing Knoblauch into scoring position and bringing Williams to the plate.

Person threw a fastball on the inner half of the plate, and Williams, batting

left-handed, turned on it, lacing the single between first and second; Knoblauch churned around third and easily beat the throw from the outfield, jumping into the rush of teammates.

In other games, *The Associated Press* reported:

Athletics 11, Orioles 4 Manager Ray Miller was upset by the Orioles' ugly loss to Oakland that he smashed his fist against an unidentified object and ripped his team in a profanity-laced tirade.

Miller was furious that his team walked 14 batters, blew a four-run lead in the final two innings, and had a runner picked off first while trailing by six runs. It's that kind of sloppy play that has saddled Baltimore with a major league-worst 4-14 record.

"We pitched like a bunch of 12-year-olds," said Miller, who had a towel wrapped around his injured right hand.

"We had a guy get picked off when we're six runs down. They're the ones making all the moxie. Have them explain how they did and how they performed in front of 47,000 people."

After the Orioles rallied to take a 10-6 lead, the A's scored two runs in the eighth, and Tony Phillips hit the winning two-run homer in the ninth.

Mariners 6, Devil Rays 4 Jay Buhner hit a two-run homer with two outs in the ninth to give Seattle victory in St. Petersburg, Florida.

Tampa Bay's Jose Canseco hit his major league-leading 10th homer, a 43-foot solo shot in the fifth.

Rangers 9, Twins 5 Lee Stevens hit two homers and Rick Helling won his first game of the season as Texas completed a four-game sweep at Minneapolis.

Tigers 7, White Sox 4 Jeff Weaver won for the second time in three major league starts and Damron Easley drove in three runs as Detroit snapped Chicago's six-game winning streak.

Diamondbacks 5, Padres 3 Jay Bell's second home run of the game, a two-run shot in the 11th inning, carried Arizona to victory in San Diego.

Bell, who went 3-for-6, driving in three runs and scoring four, connected after Tony Womack hit a two-out single in the 11th.

Bell and teammate Matt Williams are both tied for the league lead in homers with seven.

Randy Johnson struck out 11 for his fourth consecutive game with 10 or more strikeouts. He threw 141 pitches and increased his major league-leading total to 55 strikeouts.

Reggie Sanders set a career high and tied the San Diego record with four stolen bases.

Cubs 6, Mets 4 Sammy Sosa hit a three-run double and scored on a wild pitch in a six-run fifth inning, to lead Chicago to victory over the visiting New York Mets.

Sosa went 2-for-4 with a leadoff double in the seventh on "Sammy the Bear" Beanie Baby day, a promotion celebrated by a sellout crowd of 39,265.

Braves 5, Marlins 1 John Smoltz allowed six hits in 7½ innings and Brian Jordan drove in three runs as Atlanta won in Miami.

Reds 7, Astros 6 Pokey Reese hit a tiebreaking homer in the sixth inning as Cincinnati won at home against Houston.

Phillies 5, Expos 4 Pinch-hitter Alex Arias' tiebreaking two-run single keyed a four-run rally in the ninth as Philadelphia won in Montreal.

Brewers 4, Pirates 3 Fernando Vina hit a pair of run-scoring singles to help Milwaukee complete a three-game sweep of visiting Pittsburgh.

Giants 7, Rockies 4 Armando Rios hit a two-run homer in the seventh inning to lead San Francisco to victory against visiting Colorado.

Cardinals 6, Dodgers 4 Eric Davis had a two-run home run and a run-scoring single as St. Louis completed an eight-game winning streak.

Marlins 4, Rockies 3 Jeff McNeil hit a two-run home run with two outs in the ninth to give Atlanta victory in St. Petersburg, Florida.

Tampa Bay's Jose Canseco hit his major league-leading 10th homer, a 43-foot solo shot in the fifth.

Marlins 6, Devil Rays 4 Jay Buhner hit a two-run home run with two outs in the ninth to give Seattle victory in St. Petersburg, Florida.

Rangers 9, Twins 5 Lee Stevens hit two homers and Rick Helling won his first game of the season as Texas completed a four-game sweep at Minneapolis.

Tigers 7, White Sox 4 Jeff Weaver won for the second time in three major league starts and Damron Easley drove in three runs as Detroit snapped Chicago's six-game winning streak.

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SPORTS

Knicks Beat Miami Without Their Star

The Associated Press
Maybe the New York Knicks are better off without Patrick Ewing.

The Knicks fought back from a 20-point deficit

assists as New Jersey beat visiting Indiana.

The loss kept the Pacers from gaining ground on Miami for the best record in the Eastern Conference.

In other games, Atlanta beat Milwaukee, 85-70, and 1½ games behind Indiana.

Portland beat Minnesota,

100-84, to move within one game of clinching the Pacific Division title.

Allen Iverson had 38 points as Philadelphia beat Orlando, 103-86, for its fourth straight victory.

Karl Malone scored 21 to lead Utah over Seattle, 98-81.

Detroit stopped a three-game slide, beating Toronto, 91-83. Phoenix beat slumping Houston, 95-71, and Boston beat Washington, 113-84.

Note: 120, Pacers vs. Stephen Marbury had 26 points and a career-high 20

final 19 minutes without their veteran center and beat the Miami Heat, 82-80, in Miami on Sunday.

With Ewing sitting out because his left Achilles tendon acted up again, the Knicks moved past Toronto and Charlotte into the Eastern Conference's eighth position. Chris Childs hit two free throws with 20.1 seconds left to seal the victory.

Note: 120, Pacers vs. Stephen Marbury had 26

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Mark J. Terrill/The Associated Press

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE		
EAST DIVISION		
New York	W 12 - 5	L 48 - 52
Toronto	12 - 7	53 - 52
Boston	10 - 8	55 - 54
Tampa Bay	11 - 9	55 - 54
Baltimore	4 - 14	22 - 34
CENTRAL DIVISION		
Cleveland	9 - 7	57 - 54
Chicago	9 - 7	55 - 54
Detroit	8 - 8	44 - 45
Kansas City	6 - 18	37 - 51
Minnesota	7 - 12	36 - 6
WEST DIVISION		
Seattle	11 - 6	57 - 59
Oakland	9 - 10	47 - 51
Seattle	9 - 10	47 - 51
Anaheim	7 - 11	26 - 34

NATIONAL LEAGUE

EAST DIVISION		
Atlanta	11 - 6	54 - 57
New York	11 - 8	57 - 59
Philadelphia	18 - 8	55 - 54
Montreal	6 - 11	33 - 53
Florida	5 - 13	37 - 45
CENTRAL DIVISION		
St. Louis	11 - 6	54 - 57
Houston	9 - 8	52 - 59
Milwaukee	9 - 9	50 - 56
Pittsburgh	8 - 9	47 - 51
Chicago	7 - 9	43 - 53
Cincinnati	7 - 18	42 - 4
WEST DIVISION		
San Francisco	12 - 6	45 - 59
Astros	11 - 8	57 - 59
Los Angeles	11 - 10	47 - 56
San Diego	8 - 10	44 - 44
Colorado	6 - 9	40 - 45

SUNDAY LINE SCORES

AMERICAN LEAGUE

Cleveland 600 200 010 - 2 0

Boston 100 200 000 - 12 0

Cobra, Shevy (7), Karsay (5) and Diaz, P.J. and Voth, W.-P., Martinez, G.-L.

Atlanta 2-1, 200 000 000 - 12 0

Seattle 12 000 000 - 42 12

Tampa Bay 001 010 000 - 5 0

Fresno, Padoucas, R.-W., Meier (5) and, O'Neil, D., and, S., and, Diaz, G.-L.

Orlando 000 000 000 - 12 0

Orlando 000 000 000 - 12 0

Atlanta 000 000 000 - 12 0

Seattle 000 000 000 - 12 0</p

ART BUCHWALD

Gun Guarantees?

NEW YORK — After the shootings in a Denver suburb, where 15 people were killed, I read the constitution again. I was interested because Charlton Heston, president of the National Rifle Association, and his people still insist the Second Amendment has to be protected, whatever the fatality rate.

I looked through the amendment to see if there is anything about shooting students. Then I checked on whether or not there is any guarantee for the sales of gun dealers.

There didn't seem to be any.

The Second Amendment says nothing about sawed-off shotguns, automatic carbines, pistols and Saturday Night Specials.

□

The NRA says it doesn't have to — arms are arms, and militias are militias, and good people have to protect themselves from bad people.

The question arises,

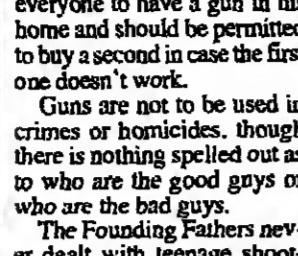
Oliver Cromwell Remembered

The Associated Press

HUNTINGDON, England — Thousands of people gathered in Huntingdon to mark the 400th anniversary of the birth of Oliver Cromwell, the only English head of state who was not a monarch.

Crowds mingled Sunday in a 17th-century street market and watched English civil war parades in the town where the undefeated civil war commander of parliamentarian troops was born April 25, 1599. But the local Catholic church played no part in the commemorative service, recalling that after the execution of Charles I in 1649, Cromwell went to Ireland to command the army that crushed Catholic rebellions.

Cromwell was named Lord Protector, ruler of England, in 1653. He declined the crown in 1657 and died in 1658. In 1661, his body was exhumed and he was posthumously beheaded after the monarchy had been restored.



Art Buchwald

"What did the people who voted for the Second Amendment have in mind?"

The pro-gun lobby, which finances your politicians, believes that the founders wanted everyone to have a gun in his home and should be permitted to buy a second in case the first one doesn't work.

Guns are not to be used in crimes or homicides, though there is nothing spelled out as to who are the good guys or who are the bad guys.

The Founding Fathers never dealt with teenage shootings because none of them had children in high school. Besides, it is not guns that kill people, etc., etc.

The NRA says the anti-gun benders are going to destroy the constitution. As a matter of fact, the NRA is now sending e-mails begging its members to give money.

Where does any sane person stand? If previous school shootings are an indication, the furor will die down, the international media will forget about it until the next shooting — when everyone will ask: "Why didn't they do anything about this?"

A Century of Great Pianists in 15,000 Minutes

By David Stevens
International Herald Tribune

AMSTERDAM — The recording industry as a serious factor in musical life dates roughly from the beginning of the 20th century, which lends a fair amount of credence to the plethora of "centennial" editions crowding the shelves of record stores.

The issuing of recorded historical musical anthologies has a relatively long history, and most of the centennial editions in the stores result from the periodic recycling efforts by record companies to get some extra mileage out of existing material.

Philips Classics says its "Great Pianists of the 20th Century" is the "largest project ever undertaken by a recording company in the history of recorded music," which is probably true. But what really makes it unique is that Philips gained the collaboration of other major recording houses and numerous minor ones — some 25 in all — to make this a wide-ranging, if not absolutely comprehensive, edition. Besides this unheard-of degree of cooperation in a highly competitive business, the project is sponsored by Steinway & Sons, the major maker of concert pianos.

The edition, which Philips began issuing late last year and will continue to next fall, comprises 200 compact discs. They are packaged in units of two CDs each, about 150 minutes of music per unit.

Units are devoted to 69 individual pianists; there is one piano duo, and in three cases the featured artist is joined by a partner for the occasional two-piano piece — Nadia Boulanger with Dinu Lipatti, Rosina Lhevinne with her husband, Josef, and Gaby Casadesus with her husband, Robert.

Seven of the pianists, all celebrated and prolific recording artists, have three units devoted to them — Claudio Arrau, Alfred Brendel, Emil Gilels, Vladimir Horowitz, Wilhelm Kempff, Sviatoslav Richter and Arthur Rubinstein. About 25 percent of the music

has never been issued on CD before, and some 90 minutes of a total of slightly more than 15,000 minutes of music) has never been issued before at all.

The title of the edition — Great Pianists of the 20th Century — is modest enough in the circumstances. No two piano addicts would agree on some of those included or omitted. In the days of acoustic (pre-electric) recording, before 1925, many pianists did not take recording seriously or did not leave enough recordings of sufficient quality to fill two CDs.

With the introduction of electric recording, business picked up, and in the 1930s Artur Schnabel — who played only music he thought was "better than it can be performed" and was then at his peak — recorded the first complete set of Beethoven's 32 sonatas. With the introduction of tape as a recording medium after World War II, the advent of the long-play microgroove record in the late '40s, and the consequent appearance of many new record companies, expanded the recorded repertoire beyond recognition.

A bit of hype did get into the marketing of this edition in France, where a French-language wrapper claimed to offer "Tous les grands pianistes du 20e siècle." But not even Tom Deacon claims that this edition contains all the greats of the century. Deacon, a 58-year-old Canadian with a background in radio producing and a lifelong passion for the piano, became Philips' director of catalogue exploitation several years ago and is the mastermind behind the Great Pianists edition.

He gathered a group from the member companies of the PolyGram group to help make the choices, "and the voting had to be unanimous." However, he added, "I don't know of a single case in which I had to use the trump card," suggesting that he held just such a card in case he needed it. In addition, Alfred Brendel, Philips' keyboard flag-bearer, helped select works by pianists he particularly admires — Alfred Cortot, Edwin

Fischer and Kempff — and living pianists included in the edition were consulted on their programs.

To supervise the recorded quality, especially the remastering of the older recordings, Deacon brought in Alfred Kaine, a retired Deutsche Grammophon engineer.

Deacon described Kaine, himself a pianist, as "meticulous."

Deacon expressed pain at the omission of some indisputably great pianists who came to recording too late to be at their best or who were ill-served by their recordings — notably Moriz Rosenthal, but also Guiomar Novacek and Gini Bachauer.

The oldest pianist represented is Ignacy Jan Paderewski, born 1860, whose pianism does not get a unanimous vote from experts, but whose charisma and sense of publicity exceeded that of the Three Tenors rolled together. He made oodles of



Tom Deacon, left, of Philips, with the pianist Alfred Brendel.

money — his 1906 income was estimated at \$1.5 million — and spent it. He made his marathon U.S. tour in a private railroad car with bedroom, sitting room, dining room and grand piano, accompanied by his secretary, valet, chef, tuner, tour manager and two porters. The youngest pianist of the edition is the sensational Russian Yevgeni Kissin, born in 1971, whose legacy remains to be written in the 21st century.

The earliest recording of the edition is likely Paderewski's of Chopin's "Military" Polonaise, made in 1911 at his home in Switzerland. The most recent is Mitsuko Uchida's of Schoenberg's Three Piano Pieces, Opus 11, recorded for this edition.

Some pianists known for being more comfortable in concert than in the recording studio are represented by live recordings, nota-

bly Josef Hofmann's golden jubilee concert in 1927 at the Metropolitan Opera. Wilhelm Backhaus's memorable Carnegie Hall recital of 1954 is included, as are live recordings of the supervirtuosos Jorge Bolet and Earl Wild.

A particular favorite of Deacon's, and certainly the least known entry in this set, is the piano duet of Lyubov Brink and Mark Taimanov, both born in 1926, who were paired by their teacher in Leningrad, a pairing that continued in Tashkent, where they were evacuated in 1941 because of the war.

They became a duo by marriage, too, but this kept them from becoming known outside the Soviet bloc, when it was unthinkable that a married couple travel together to the West. Taimanov was also a chess grandmaster, which got him a trip to the West in 1970, where he ran afoul of Bobby Fischer, losing six out of six to the American whiz in 1976 — a disaster that brought him a period of oblivion in both music and chess. The couple divorced in the early '70s, and while Brink played piano with their son and granddaughter, Taimanov turned to chess.

Their recordings are a delight, especially in Rachmaninoff's two suites for two pianos, in which their contrasting styles blend in a wonderful sense of ensemble. Brink died three years ago. Taimanov continues to play chess, in which world he is known for the Taimanov Variation of the Sicilian Defense.

The Great Pianists edition has also led indirectly to a revival of interest in Rosalyn Tureck, known best in her long and varied career as the high priestess of Bach on the piano. She lives in Oxford, England, where in 1993 she created the Tureck Bach Research Foundation.

Not only are two units of this edition devoted to Tureck's Bach, but Deutsche Grammophon has just brought out a new recording of Tureck, at 84, in her latest version of the Goldberg Variations. It would be hard to imagine a more representative example of the piano in the 20th century.

PEOPLE



MCCARTNEY AS ARTIST — "John's Room," one of 70 paintings by Paul McCartney that will be exhibited in Siegen, Germany, beginning May 1.

THE actors Tom Cruise and Nicole Kidman have filed a libel suit against the Star tabloid of London for printing a story that claimed they needed coaching from sex therapists to perform love scenes in Stanley Kubrick's final movie, "Eyes Wide Shut." The lawsuit, filed in Los Angeles, charges that Cruise and Kidman were portrayed as "unqualified as actors because of their inability to portray sufficiently realistic or amorous love scenes." In October 1998, Cruise and Kidman won a London libel suit over newspaper allegations that he was gay and that their marriage was a sham.

Woody Allen and Soon-Yi Previn, the film director's wife, were spotted the other day in Manhattan pushing a baby stroller. The couple won't elaborate on whether its occupant, a 5-month-old girl named Bechet Dumanine, was adopted. In recent photographs, Previn did not appear pregnant. In reference to the newcomer, Allen told the Sunday Daily News, "We're just very pleased." The

baby is reportedly named after the swing-era jazz clarinetist Sidney Bechet.

Bowing to pressure from theater owners, 20th Century-Fox has authorized the sale of advance tickets to the "Star Wars" prequel. "It's a hit of compromise for us, but the theaters have invested a lot of equipment and money into providing the advance-ticket service to their customers," said Tom Fox, a spokesman for Fox. Fox and LucasFilm Ltd. had banned advance ticket sales to stave off scalpers who they feared would hoard the seats, Sherak said, but have now lifted the ban. "Star Wars: Episode I — The Phantom Menace" opens in the United States on May 19.

A watercolor by Sir Alfred J. Munnings has set a record for the artist at Sotheby's in New York. Munnings' portrait of a racehorse fetched \$739,500, setting an auction record for a Munnings watercolor. The previous re-

cord was \$122,173 for "A Little Piece of England," sold in November 1997. The artist died in 1959.

James Hewitt, the former lover of Diana, Princess of Wales, is auctioning the newspaper rights to his memoirs after winning a court action to retrieve dozens of her stolen love letters. The Sunday

Don DeLillo Wins the Jerusalem Prize

The Associated Press

JERUSALEM — Don DeLillo has become the first American to win the Jerusalem Prize. The award, given to writers "whose work expresses the theme of the freedom of the individual in society," has previously gone to Milan Kundera, Marin Vargh Llosa, V.S. Naipaul, Graham Greene, Simone de Beauvoir and Jorge Luis Borges.

"This is wonderful!" said his agent, Lois Wallace. Born to an Italian Catholic family, DeLillo grew up in New York. His work, which includes novels, essays and plays, reflects his "commitment to expose, through his daring writing, the violent face of the Western world at the end of the century," the selection committee said Sunday.

DeLillo's books include "White Noise," "Mao 2," "Americana" and "Libra." His most recent work is "Underworld."



(go down in history)

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Italy	172-1011
Netherlands	0-800-422-9111
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Saudi Arabia	1-800-10
Spain	900-99-80-01
Sweden	720-795-611
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United Kingdom A	0-800-89-0011
United Kingdom B	0-800-89-0011

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